effect of a General Election upon business than with the actual affair itself, it appears as most probable that the event will depend upon the decision of the House of Lords upon the Budget, and as to that, we have many rumours, but no reliable information. Though the Budget is disliked very cordially, probably by the majority of members of the Stock Exchange, the fact is realized that its rejection by the Lords might involve very serious disturbance to markets generally. Were the Budget thus rejected, an issue of Treasury Bills for many millions to provide for national requirements might be necessary, and such an issue could scarcely fail to have a very discomposing effect upon markets as a whole and gilt-edged securities in particular.

Great Magnate's Retirement.

The retirement of Lord Swaythling from active city work is an event of importance and interest. Head of the great firm of Samuel Montagu & Company, which he founded, Lord Swaythling has been consulted upon financial questions by Chancellors of the Exchequer of both political parties, and his position of authority in the city has long been a unique one. After fifty-six years of city life he now becomes merely a limited partner in his firm, contributing a capital of £600,000. Lord Swaythling has been indulging this week in some reminiscent talks. He notices, as every observer must notice, the change which has come over us, nationally and individually during comparatively recent years. "Luxury and extravagance," he says, "have increased and thrift has diminished." Yet in his opinion it is much harder to make a "pile" now that it was forty years ago. But "we have altered our ideas as to what constitutes wealth. Thirty or forty years ago £100,000 was the business man's 'plum.' Now anything under one or two millions is not considered a fortune at all." Lord Swaythling has happily so moved with the times he lives in as to think that on the whole the movement of money which this change in ideas indicates is a good thing—"so long as the money is not uselessly or viciously spent."

The Cost of Old Age Pensions.

The tendency of all schemes, which come under the heading of what is known as social reform, largely to exceed the cost estimated by their sponsors is well illustrated by some figures which have just been announced by Mr. Lloyd George regarding the cost of Old Age Pensions. The original estimate of the expenditure on these pensions, it will be remembered, was six millions, but Mr. Lloyd George's statement shows that in the first eight months of the present year £5,404,000 has been spent. On the basis of these figures the cost for a year can hardly be less than eight millions. This increase may perhaps be accounted for by the extraordinary number of the Irish pensioners. In Ireland 42 per 1,000 of the population are in receipt of their five shillings a week, while in England and Wales the proportion is only 11 per thousand, and in Scotland 15 per thousand. Whether this be or not the true explanation, it is clear that the original estimates were much below the real cost, and that any extension of pensions either by the increase of the weekly amount paid, the lowering of the age limit or the removal of the disqualification by the receipt of poor relief will need very careful consideration from the financial standpoint. In matters of social reform the question of finance is too often forgotten until afterwards. No one grudges the needy aged poor their pensions, but the figures now published prove at least that it would have been better for the country at large, had the cost been carefully counted before the scheme was inaugurated. As things are, it is impossible to escape the conclusion that at the start of the scheme financial considerations were largely, if not entirely, subordinated to sentiment.

An Attack on Mexican Trams and Power.

Some little stir has been caused of late among the large circle interested in the Canadian-South American power group by an extraordinary letter appearing in The Economist. Your readers will have in mind that a campaign against this group has lately been carried on in certain quarters here; and the present communication appears to form a part of it. The writer, signing himself "Mexican Engineer" suggests that the damage to the dam, caused by the landslip of May last, "will far exceed £400,000," and that the Light & Power Company, now compelled to use coal to produce its power, is, as a result, losing from £2,000 to £2,500 a day. He adds, "The Tramway Company cannot possibly save itself from disaster without a water supply from the Power Company and both concerns appear to be approaching destruction together."

"Mexican Engineer's" facts and conclusions are scouted by those in intimate touch with Central American affairs and "discharged employé" is freely suggested as the explanation of this effusion. The Economist itself, after recommending investors to obtain information from the Mexican Government suggests that the picture is "probably exaggerated," that "Mexican Engineer" has been largely misled; and that genuine holders should be content to wait pending the publication of authoritative information. It would appear that the letter, if designed to frighten holders of the bonds or speculators in the common stock, has signally failed in its object, as prices of the two companies' securities after a good deal of fluctuation stood at the end of last week practically at the same levels as before the letter's publication.

Insurance Items.

Announcement is now made that as it will be impossible to re-instate the "Lucania" burnt in Liverpool docks some weeks ago within the value insured, arrangements are being made with underwriters to treat the vessel as a total constructive loss. She was insured for £120,000. The "Umhlali" wreck off the South African coast will, in all probability involve underwriters in losses approaching £50,000. Such a loss is distinctly unfortunate at the present time when the market has had several bad weeks.

Fire policies protecting against "consequential loss" have now their complement in policies protesting against "consequential expenditure." A recommendation of the new policy is that it will not require such close investigation of the trader's books as the "consequential loss" policy. It will only be necessary to ascertain whether the extra