

In Austria, where rates are low and fires numerous, the principal insurance business is carried on mainly by strong mutual trade societies, which monopolize the insurance of all risks of their particular trade, though part of the risk written by each mutual is re-insured with joint stock companies. In Holland, policy conditions continue to be worded in an old fashioned medieval way, the Bourse system, as in the Hansa towns, is practised and valued policies are common. For industrial risks there is no tariff and rates rule very low. Of the other countries of Europe, those in Scandinavia follow German practice. Russia is a closed field to foreign offices; in Turkey there is the opposite of a crowd of offices of every nationality. Business in Constantinople is notable for the fact that credit is given for premiums, a custom which opens the way to great abuses, though no method has yet been devised for putting a stop to the system. Inferior construction and the moral hazard attaching to a cosmopolitan population make Turkey anything but a desirable field of operations.

Notes on Business, Insurance and Finance.

Bank of England's Rate.

The official discount rate of the Bank of England was raised yesterday to 5 per cent. The pre-existing rate of 4 per cent. had been in force since September 29, when the summer rate of 3 per cent., inaugurated on June 10 last, was superseded. The move upwards this week had been generally anticipated. Advices from London at the last week end foreshadowed a period of some stringency there, unless a relaxation in the demand for capital supervened. It was on the 21st October that the Bank put a five per cent. rate in force last autumn and, on Saturday last, the Bank's total stock of bullion was considerably less than that of a year ago. The heavy demands for metal by India together with the likelihood that Brazil will shortly be taking gold from London are the causes of the rise. Yesterday's return showed a loss in bullion on the week of nearly £2,000,000, the reserve is down from £24,352,000 to £22,802,000 and the proportion to liabilities has fractionally lessened. Both bullion and reserve are much lower than at this time last year.

The Grand Trunk's Report.

The cabled summary of the Grand Trunk's report is altogether inadequate. It is not stated with what half-year of 1909, that which closed in December or that which closed in June, the figures given compare, and since the latter consist merely of statistics of increase, which by themselves are almost meaningless, it is necessary to wait for the arrival of the report itself in order to get an intelligent view, both of the actual operations of the half-year, and of the way in which they compare with previous years.

Labour and Finance in Australia.

The financial vagaries of the Australian Commonwealth's Labour Ministry have for some time been exciting attention in London and elsewhere, and mention of them has previously been made in our own columns. There has lately been introduced into the Commonwealth Parliament, a bill relating to Australian notes, in pursuance of the Government's paper currency policy, which is to issue notes for which the Treasury will receive gold. The right to issue a paper currency will be vested in the Government solely, and the Labour Ministry hopes that by this device a large sum of money will be obtained, which will obviate the necessity to resort to public borrowing. The bill has now been forced through the House of Representatives, the view that has principally animated the House being, in the opinion of an Australian correspondent of the London Economist, who writes interestingly upon the matter, that whatever the Labour party has resolved in caucus is the best possible thing that can be done. The banks have expressed their opinions in moderate and courteous terms, but the attitude of the Prime Minister is that of a man who has received instructions which he must carry out. One of the proposals carried is that the Commonwealth notes shall be payable in gold only at the seat of Government, at present Melbourne. Thus, over nearly the whole of the vast area of Australia, notes will practically be inconvertible and that at distant points will occasionally cause them to become depreciated in value. The effective gold reserve against the Government issue of notes will be 25 to 33½ p.c., the balance being used by the Government in some way or other. In the opinion of the Economist's correspondent, should the Labour party continue in power for some time it is quite possible that this legislation regarding the note issue will be amended in a dangerous way. The Minister who is regarded as the financial member of the party, desires that the Government shall have power to redeem notes in stock at the market price of the day. It may also be proposed that the Government should pay its servants in notes, a step it could hardly take without making the notes inconvertible. Next session it is understood, a Bill for the establishment of a national bank will be introduced, the extreme portion of the Labour party being as anxious to "burst up" the banks as it has been to "burst up" the large landowners by means of the new land tax. It is, of course, possible that the extremists will not prevail, but in that case in the opinion of the correspondent, the Australian Labour party will suffer disruption.

Insurance in Ontario.

The detailed annual report of the Inspector of Insurance and Registrar of Friendly Societies for the Province of Ontario reached us subsequently to the death of its compiler. We announced the death of Mr. Howard Hunter, who had held the post of Inspector of Insurance since 1881, in our last issue. The introduction to the present volume is dated so recently as September 10th. Not the least interesting part of this stout volume is the appendix, which contains a variety