

## MARINE INSURANCE IN ENGLAND.

PART AND REGENT UNDERWRITERS.

MARINE insurance was practiced in England before it was in use in the northern part of the continent of Europe, and even Antwerp, then in the meridian of its commercial eminence, derived it from English merchants. In 1569 Giucclardini states that the traders of England and the Netherlands "have fallen into a way of insuring their merchandise at sea by a joint contribution," and we may perhaps assume with safety that about this period the practice became tolerably general in the commercial world of Europe. By 1601 the amount of underwriting business done on the London Exchange had become so considerable that an act of Parliament was in that year passed for the establishment of a Court of Policies to decide disputes arising out of these documents. For reasons on which we need not now dwell, this tribunal failed to attract much business, and although it was subsequently reconstituted on an improved basis in the reign of Charles II., it had even then no better fate, and ultimately expired of sheer inanition. Insurance was originally carried on in England, as in Venice and on the continent generally, by individual underwriters in Lombard Street, who afterwards, for their own convenience and that of the insured, assembled at a coffee house—the first establishment of the kind in England—which was opened in a yard off that street about the middle of the seventeenth century. In 1710 they transferred their place of meeting to another coffee house opened by a person named Lloyd in Abchurch lane—and it is from this Lloyd that the body of English underwriters have since acquired the sort of corporate name under which they are known all over the world.

In 1720 the two first insurance companies—the London Assurance and the Royal Exchange Assurance—were incorporated. They owed their existence to the necessities of Government, and the consideration on which they obtained their charters was the promise—eventually only half fulfilled—to pay His Majesty a sum of £600,000. Established in the year of the South Sea mania, the stock of the two companies was soon raised to an extravagant premium, but when the financial bubble burst, it experienced a more than corresponding depression, and from that circumstance and an accumulation of disasters at sea, they were for some time involved in serious difficulties. Eventually, however, these difficulties were surmounted, and for more than a hundred years they succeeded in maintaining their exclusive privileges as the only insurance companies sanctioned or permitted by law. It required at least fourteen years' agitation to convince Parliament of the impolicy of continuing this monopoly.

In 1810 the New Insurance Company was formed, with a capital of £5,000,000 sterling, and Parliament was appealed to in order to remove the restrictions which prevented its entering upon business. After an elaborate and lengthened inquiry into the subject, a committee of the House of Commons reported that the exclusive privileges of the two great companies should be repealed, and that encouragement should be given to other associations for the promotion of sea-insurance. The influence of the monopolists was, however, sufficient to protract the contest for fourteen years, and it was not until 1824 that marine insurance was thrown open, like life and fire insurance, to joint-stock enterprise and energy. To those unacquainted with English commercial history, the folly of Parliament in so long maintaining the restrictions we have mentioned may cause some surprise. But in fact it is only a piece with their legislation down to a very recent period. Every branch of trade, industry and mercantile association has had in turn to struggle for life, against the stupidity and the obstinacy of our rulers, who are even yet far from being disabused of the notion that they know better than traders what is good for trade.

From 1824 the number of English marine insurance companies has steadily increased with the augmenting business offered to them by our expanding trade. Liverpool and Glasgow have long possessed underwriters' rooms, and have transacted a large amount of business. Yet the enormous import and export commerce of Lancashire did not lead, till very lately, to the erection of any independent marine insurance companies, either in the great western port or in Manchester. Latterly, two or three offices have been established there, and Bristol has claimed the right of drawing marine insurance to its busy mercantile city. Yet in all these places the insurance system flourishes rather like an exotic, having its true habitat in the metropolis of the empire. There are in London at the present time upwards of 20 proprietary marine insurance companies, besides several mutual ship associations, which extend their operations to a smaller degree to the protection of freights and cargoes. The aggregate members and subscribers to Lloyd's is rather above 1,500 of whom 400 are underwriting members.

The Toronto Leader says—"The past week has been a busy one for produce dealers, and the banks have done a good business in the way of discounts and advances. During the week from 75,000 to 90,000 bushels of barley have been taken from teams and about 15,000 bushels have been received from cars, making the total receipts fully 100,000 bushels. The receipts during the previous week were put at 45,000 bushels. A large portion of this has been shipped, and for a good number of cargoes owners have received their returns and realized their profits. Nearly the whole quantity has gone, or is expected to go, to the Oswego market, but we notice that a cargo of five or six thousand bushels, specially selected, is being shipped by Messrs Clark Brothers for Halifax. We hope the venture will result so favorably as to induce other shipments in the same direction.

## THE PETROLEUM TRADE.

THE following is an official statement of the exports from Philadelphia to foreign ports from January 1st, 1857 to 10th September:

To	Week.	Previously 1857.	Same in 1856.
Liverpool...gallons	408,318	135,785	
London	60,439	423,707	
Falmouth, E.	47,610	837,445	
Cork	2,072,843	2,583,693	
Havre	1,064,225	1,205,278	
Marseilles	108,746	1,172,324	
Dunkirk		2,656,631	
Antwerp	88,985	312,636	
Bremen		4,689,774	
Hamburg	28,445	938,489	
Rotterdam		645,947	
Nassau		407,020	
Croftstadt		164	
Stettin	63,669	201,651	
Barcelona	67,173	175,282	
Gibraltar	55,240	131,973	
Naples	77,254	329,849	
St John, N B	63,230	43,614	
Genoa	1,132	3,000	
Leghorn	294,951	649,988	
Lagayra	45,221	37,864	
Albion	12,214	6,660	
Cuba	41,954		
Porto Rico	8,737	74,419	
Pernambuco	9,317	15,450	
Demarara		7,600	
Barbadoes	1,400		
Cardenas	14,436	25,885	
St Thomas	690		
Port Spain	1,908	2,922	
Jamaica	1,200	10,288	
Halifax, N. S.	1,115	4,919	
Rio do Janeiro	5,880		
Callao	1,000		
Dantzig		17,600	
Queensdown	37,623		
Gottenburg	49,217		
Koenigsburg	63,252		
Dublin	60,467	81,644	
Bristol		60,634	
Stockholm	61,802		
Venice	82,854		
Bilboa	84,776		
	66,100		
Totals	688,179	19,690,327	18,866,257
Total exports since 1st, 1857			20,243,606

## AMERICAN SINEW.

BORROWED CAPITAL.

THE public are perhaps not generally aware of the fact that the people of the United States are trading upon borrowed means. For many years past the capitalists of Europe have been steadily sending a portion of their surplus capital to the United States for employment. Previous to the war a large amount of State stocks were held in England, especially those of the Southern and border States, besides which the stocks of some of our leading railroads have found ready buyers there, over \$1,000,000,000 of railroad securities, being held there for permanent investment.

It was not remarkable that a young and vigorous country, with immense resources and free from governmental burthens, should have attracted a large amount of foreign investments. It is however somewhat singular that in a period of civil war, which threatened the very existence of the government, this confidence was not in a measure withdrawn. Singularly enough, it was during this very period of peril and injury that foreigners came forward as investors most freely. We made no attempt to negotiate loans among them, yet they became voluntary buyers of the very bonds that represented our losses, and were the sure evidence of the future burthens of our people.

It is not our purpose to inquire into the motives which led them to buy more freely the evidences of national debt and misfortune, than they had formerly bought the securities which represented the development of our material resources, suffice it to say, that during the four years of war and the period subsequent, they have advanced more capital upon our bonds than they had invested among us during all previous years. It would be difficult to form an accurate estimate of the whole amount of foreign capital at present employed in the United States. The principal items however may be ascertained with sufficient approximation to the truth to afford a fair criterion for arriving at the desired test.

The following statement presents an approximate estimate of the amount of foreign investments in this country:

Five-Twenty and other U. S. Bonds	\$450,000,000
Atlantic and Great Western R. R. Stock	30,000,000
do do do Bonds	25,000,000
Reading R. R. Stock	10,000,000
do do Stock	5,000,000
do do Bonds	8,000,000
Illinois Central Stock	11,000,000
do do Bonds	7,000,000
Mortgages on Real Estate	25,000,000
State and City Stocks	100,000,000
Other Securities	20,000,000
Present open trade balance	50,000,000

\$750,000,000

It appears from these estimates that we are owing to foreign countries about seven hundred and fifty millions of dollars. Some estimate our foreign indebtedness at one hundred millions; but we are unable to conceive how these figures can be sustained.

By some it is regarded as our greatest national misfortune that we hold such a large amount of foreign capital. We are unable to view the matter in that light. The capital though borrowed, has enabled us to develop our resources to an extent which, without such means, we should not have realized. Foreign capital has enabled us to build roads which have been the pioneers of our agriculture and commerce. Without such assistance the providing of transportation to the interior would have been delayed, and we should not have held the commanding position as agricultural nation which we now occupy. Our splendid national resources have attracted to our shores an immense emigration. The emigrants were mostly without means for undertaking production on their own account, and we had not the capital for giving them all employment, most fortunate therefore is it, that with this influx of laborers there has been also a large emigration of capital, to employ in productive industry the hands which must otherwise have been idle. It is a most remarkable evidence of the superior fruitfulness of our resources over those of other countries, that not only have we drawn hither millions of the population of Europe, but that we have also tempted hundreds of millions in money, from the strong chests of foreign capitalists through our ability to pay a higher rate of interest upon investments than is realized elsewhere.

This fact amounts to a substantial acknowledgment of the immense advantages of the United States for the creation of wealth, and this acknowledgment has a most important bearing upon the question of our ability to compete in production and commerce with foreign countries. The fact of our being so lately in debt is an evidence of our resources and our greatness. The investments have been made voluntarily, and imply a conviction in the minds of the investors that we are abundantly able to pay our debts.

Our foreign indebtedness is the best possible guarantee of peace with European nations. Our securities are scattered throughout England, France, Germany, Holland, and even Russia. The amount held in England, our chief commercial rival, must reach hundreds of millions, and these evidences of debt constitute a bond of interest which none of the Governments would dare to violate. In the event of diplomatic difficulties, in truth this large foreign debt is a gratifying evidence of the growth of confidence between the commercial nations and the progress toward a condition of affairs when wars will be rendered impossible by the importance of the commercial and financial interests existing between the several nations. Since the extension of the franchise in England, hostilities between that country and the United States may be considered impossible, for the disposition of the numerous holders of our securities to maintain peace with us will be backed by the power of a class of voters who never desire war and least of all with the United States, to which they feel themselves bound by a family relationship.—U. S. Economist

An extraordinary meeting of the Atlantic Telegraph Company was held on the 6th instant in London. The chairman made the following statement as to the financial condition of the company.

The net earnings had been £153,134 after deducting £704 for back interest on bonds issued in 1863, which would not occur again; £173,000 would pay an interest of 6 per cent on £2,400,000 (which would be the company's capital if the Anglo-American were paid off) and leave £18,000 for a reserve fund. Taking into account the amount charged for the two accidents, and the £704 for back interest, the net earnings, without these deductions, would have been about £182,000, and would have paid 7 per cent on £2,400,000, leaving for a reserve fund £14,000; and had the company been in possession of the cables, even the £153,000 of earnings would have paid 8 per cent on the £6,000,000 first preference stock, and 4 per cent on the second preference stock of £1,200,000 leaving 1 per cent for the £600,000 of old shares. The result of last year's business showed the benefit of having two cables. In fact, business could not be done with without the two cables, and though having the second cable had been a great expense, yet it was of incalculable advantage. The accidents owing to the steps taken were not likely to recur. Relative to the proposed alteration in the tariff, he called upon the Secretary to read the correspondence which had taken place between this Board and the Board of the Anglo-American Board which it appeared that the Anglo-American Board desired that the charges should be at the rate of 7s a word for a message, while the Board of this company proposed that a message of 15 words should be five guineas, the name and address words being given in, and press messages to be half-price. The charge was now £10 for 20 words and the chairman complained of the wrong that had been done to the company by what was known as a "system of packing" that was, persons sending several messages for one fee, by concerted arrangements, and so robbing the company. The plan of the Anglo-American Company for the reduction of the tariff would entail a great loss upon the company, and it was too great a step to take to come down from a tariff of £10 for a message to a tariff by which one word should be sent for 7s. The traffic receipts varied amazingly, he said the average rate of the highest four weeks being £11 1s a day and the lowest four weeks daily average £653.

An explanation was made that the policy proposed by the company was to have no message lower than five guineas and this seemed to give general satisfaction. During the meeting a considerable dissatisfaction was displayed at the position taken by the Anglo-American Company and the chairman promised, in response to the urgent desire of the stockholders, that the question of buying up this company should come before the directors at an early day.