

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents

LONDON LETTER.

7th February, 1900.

FINANCE.

Prescott Lyle, Limited, one of our biggest "bucket-shops," has smashed up. The American boom has been too much for it. So another exponent of the "heads, I win; tails, you lose" system of "investment" disappears from our ken. The two most important ones now knocking about are Mackusick's "Universal Stock Exchange" and our old friend Lowenfeld's "Duncan's." "Shaw's" was the great outside-broker of days gone by, but, alas! neither Shaw nor Shaw's exist. The old chap himself was worth over a million dollars, and left his wife a fine house and a retinue of servants in Grosvenor square, Mayfair, and she wisely drew out her share of the business instantly. The two men who took over the firm had not sufficient of the wisdom of the serpent, and actually speculated with their own money. Consequently, the "shop" closed up, one of the partners died and the other can always be found in the city with a perpetual thirst.

So few of these gentlemen know when to leave off. They are not like Baron Profumo of the Provident Free Home Assurance Company of this city. In the dear dead years which the locust hath eaten, he (after he, Profumo, not the locust, had ceased to keep a boarding-house at Brighton) ran three bucket-shops, more or less, at once. Of the history, I should like to speak at greater length, but since the London correspondent of the Paris "L'Information" has been indicted for libels about Burr, of the Kent Coalfields' financial mixture, I am rather chary about taking risks.

No break yet of any intensity in the West African boom. The activity in the "Jungle" market took a long time to flog up, but now every hour adds fresh fuel. Charlie Clark and another operator, two of the best known members of the House, have migrated to the new market, and their clients will come with them. Nearly sixty new companies were registered in December, and their total nominal capital is just upon thirty million dollars. Most of their shares are already being dealt in, and in the generality of cases have been worked up to heavy premiums. In the usual case no prospectus has been issued, and the investing and speculating public is in an absolute fog about the real value of the concessions, even in those cases where there are concessions at all.

Not that all the Ashanti, Akim and Wassau mining counters are blind gambles. Some there are which may equal some of the greatest of the Rand mines. Otherwise, we would not find men like A. L. Jones, of Elder-Dempster, and Blundell Maple, great furnisher, sportsman and friend of the King, in so many of them. But then there is also Percy Tarbutt, who has been a director of sixty companies, more than half of which have gone wrong. Still the boom grows. Whitaker Wright's kettle of fish is still on the boil.

The perpetual delay in the special settlement for the two London and Globe subsidiaries, the Rossland and Kootenay companies, is the principle focus of attention. The shares in these companies were issued to Globe shareholders, and worked up to a paper premium by the Globe. The "stags" sold to the jobbers at this premium, the Globe itself being the purchaser. When the special settlement is ordered by the Home Committee, the jobbers will have to pay the "stags" the artificial premium, and won't get their money back from the Globe, which is hopelessly "broke."

To show the sort of insouciant rumours which are gaily whirling about, now that Her Late Majesty is dead, let me introduce you to one. A chat is supposed to be taking place with the chief official of "an" important office. The official says that he wouldn't be surprised if the sum of money to be paid away in consequence of the death of the Queen was not thirty or thirty-five million dollars. He knew one society which, in the last few days, had had to sell out consols to the value of \$10,000,000 to be ready for emergencies. Anyone who knows the least little bit about British insurance offices knows that all this is simply an example of a "fake."

INSURANCE.

To say the least, the 99th annual meeting of the Liverpool Underwriters' Association was very interesting. John Davies was in grand form, and upon the Marine Insurance Bill, which is to be reintroduced into the House of Lords in the forthcoming session of the first Parliament of King Edward VII., he was positively luminous. A new paragraph in the report of the committee pointed out the undue proportion of ships missing in ballast, and, therefore, the imperative necessity that vessels should have ample ballast properly secured against shifting.

Naturally, being a Liverpoolian underwriter, he got on to the question of insurance rates in connection with the navigation of the St. Lawrence, and declared that there was no desire to treat Canadian owners and shippers otherwise than with fairness. Considering the competition from local and American underwriters unfair rates could not be maintained.

RECENT LEGAL DECISIONS.

FIRE INSURANCE—INCENDIARY DANGER.—A tenant of a farm applied for insurance to the British America Assurance Company on the contents of a barn. The application contained the question, "Is there any incendiary danger threatened or apprehended," to which the answer given was "No." A fire having taken place, an action against the company followed. The plaintiff, who had not previously carried any insurance, stated that he effected the insurance on his chattels, having learned that his landlord, the owner of the barn, had placed a high insurance on it, as well as on the adjacent dwelling-house. This the tenant told to the agent of the company, and the latter filled in the application the answers made to the questions. The application was then signed by the applicant, who was not an illiterate man, but he did not read over the application, and was not even told that the question had been answered in the negative.

It was held by a Divisional Court in Toronto that