

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents

LONDON LETTER.

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FINANCE.

The fashion in trade and commercial combinations still persists. That food for cattle, made of the residue of flax, rape or hemp seed, etc., after the oil has been extracted, known as oil-cake, is manufactured by about 25 firms in the United Kingdom. The seventeen biggest of these have fused, and the capital of the fusion is to be 12 1-2 million dollars partly open to public subscription.

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"Rival showmen" is an old expression, but it is meeting with a startling new illustration now in this country. Before the advent a couple of years ago of the Barnum and Bailey circus aggregation, the leader in the travelling show line here was "Lord" George Sanger, who had been a familiar household word in Great Britain for generations. Like Barnum's, the latter has also in the last year or two been turned into a limited liability company. From news to hand it appears that both concerns are carrying on a suicidal competition on their provincial tours. In the place of taking separate routes they are actually striking the same towns, each show sticking close to the other. That two great millionaire commercial organisations like these should descend to these localities is almost incredible.

The shareholders are, of course, kicking, but can do nothing to stop this ruinous course of conduct. The grave humour of the affair is that many shareholders hold stock in both shows, and thus their right hands are fighting with their left hands.

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The "middlemen" coal-merchants of Bradford have combined, with a capitalisation of 1 1-4 million dollars. Bradford is the head centre of these combines in England. The flourishing example of the Bradford Dyers' Association has led to the formation of the Yorkshire Indigo Scarlet and Color Dyers, Ltd., a promotion embracing numerous firms engaged in the indicated industries—capital, \$3,000,000, one-third of which is 4 1-2 per cent debenture stock.

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Thomas Fenwick, some of whose notorious exploits in finance and insurance I have occasionally noticed, looks like getting into the courts. He has at last commenced an action for libel against one of his most persistent opponents, and, if only he can be made to talk, his remarks from the witness-box should run the Hooley disclosures very close. There is a very seamy side to city finance.

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Copper is moving up in price again, standing at \$384 per ton just about now. This is owing to the withholding of American supplies, but is after all no higher than it was at the end of May. Apparently, therefore, the American manipulators are not making such prodigious headway with their operations. Australia is enormously increasing her output, 3,000 tons having been exported during the second half of June, against 1,900 tons for the same period in last year, and 1,400 tons in 1897.

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During the past quarter, the price of Consols has fallen three points, which is equal to the whole year's

interest. Other irredemiable securities which give a more lucrative dividend have improved to about the same percentage. The slackest time of the year on 'Change has pretty well passed now; "Society" is beginning to leave town, and there are no more Ascot races. Henley regattas and Lord's cricket matches to empty the markets of the operators in finance. Only the annual holiday season is at hand.

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The general prosperity in the States is greatly strengthening many descriptions of Yankee railroad stocks on the London Exchange. In fact, the American market here is becoming very buoyant indeed. Amongst foreign securities, Spanish have been the most changeable, owing to the riots and other disorders in the Peninsula. Kafirs have achieved a substantial recovery, owing to the more general belief that the Transvaal cloud is at last clearing off.

INSURANCE.

Insurance against the possibility of lost profits is not a new thing, but is being pushed now in new directions. Lloyds' underwriters usually have done this exceptional contingency insurance, but now the National Reliance comes along with its prospectus. It is willing to cover loss of profits on contracts on goods, caused by fires, explosions, etc., or loss owing to the stoppage, partial or complete, of a shop-keeper's business. The amount of indemnity is regulated by the amount of the fire on other policy. Supposing that that insurance is for \$10,000, the profit-insurance would amount to, say, 10 per cent. of that, and the amount of the claim allowed would be the same percentage of the claim paid by the fire insurance office.

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John Hale, the deputy-chairman of the Imperial Life Insurance Company, presided at the annual meeting of the Company in the place of Lord Verulan, who is abroad. Amongst the many interesting items in his speech was the announcement that the old Imperial was considering the acquisition of a certain teacher's provident fund with assets of about \$200,000 earning 3 3-4 per cent. Besides the lucrative nature of the investment, it would mean a splendid channel for new business amongst a class of professional gentlemen with whom the Imperial had had already many gratifying dealings.

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The Commercial Union fire, life and marine office has, like the rest of its friends in the insurance business, found an increase in fire losses last year. The proportion of the fire premiums spent on claims was 56 1-2 per cent. In 1892 it was 74 1-4 per cent., and from that high ratio it was pulled down year by year until 1897 found it as low as 54 1-2 per cent.

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The Norwich Union Life Insurance Society has every reason to be pleased with its foreign business, which is more than some offices have always been able to say. Most of this outside business is located in those little States, Belgium and Switzerland. Life insurance, however, threatens to become a risky operation in Belgium if those suffrage agitations persist in breaking out in the way they do. The insurance societies should enter into an arrangement with King Leopold.

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War risks at Lloyds are still quiet. One or two lines were covered early in the week, but at very low rates. The coolness of the "Room" all through has been in marked contrast to the heat both of the weather and the "yellow" scribes.