

"A1 AT LLOYDS."

Lloyd's is One of the Most Singular Romances in the Commercial World. ---Started in a Little Coffee Tavern in London.

"A1 at Lloyd's" is an expression that is well known to most of our readers; but there are few who really know what and where is Lloyd's. Lloyd's is one of the most important institutions in the world; yet it is not, as some people suppose, an individual business, but a kind of stock exchange for British underwriters who meet daily within its wall and "price" different sorts of risks just as brokers make prices on the stock exchange. As Britain is the greatest maritime nation, so Lloyd's is the greatest of insurance marts where you can insure anything on earth, except human life. You can insure there against an earthquake or a Zeppelin raid; the loss of a limb or the loss of an Atlantic liner. Brokers at Lloyd's will insure the king's throne or crown; and the succession of his dynasty, or they will insure the attendance of an artist or a circus clown at the punctual moment.

Lloyd's is one of the most singular romances in the commercial world; and this world-famed association, with its thousands of members, started in a little coffee tavern, in London, soon after the great fire of London. It was the custom then for business people to meet at some convenient place to discuss their special interests, and coffee-houses were found to be the most convenient rendezvous: West India merchants assembled at the "Jamaica"; the stock-jobbers met at "Jonathans"; and those interested in shipping congregated at Lloyd's, a small place situated in Tower Street, near the Tower of London, and owned by one Edward Lloyd. In 1692 the coffee house was removed from Tower to Lombard Street, and in 1774 Lloyd's left the tavern to take up premises in the Royal Exchange, close to the Bank of England, where it has ever since remained.

Colonel Hozier, father of Mrs. Winston Churchill, who was Secretary of Lloyd's from 1874 to 1906, has left a very detailed description of Lloyd's, and the growth of this remarkable institution, which has been recently transcribed for The Washington Star to which we are indebted for the items contained in this article.

Edward Lloyd was the originator of marine insurance in Great Britain. Previous to his time, marine insurance in England was conducted by the Lombards, who came from Italy, and founded Lombard Street. When seafaring men began to congregate at Lloyd's tavern, the little coffee house became connected with various speculative and gambling transactions. The lives of men who had to pay the penalty of breaking the country's laws were insured at Lloyd's coffee house as a sort of speculation; also when any great statesman or great party leader fell ill his life was insured at a premium of 5 per cent. Travellers who went abroad were able to insure their safe return.

It was only natural that speculative insurances should be characteristic of the period, as in the early part of the century a wave of speculation swept over the country. One indication of the wave was the South Sea Bubble and the Darien-Panama colony scheme.

The institution known as Lloyd's to-day is, of course, a somewhat different establishment from that which existed in those days. It is now housed in a rather pretentious establishment, the entrance of which is gained through a barrier presided over by a gorgeous Cerebus in a scarlet robe and gold-banded silk hat. The underwriting room is a large, long, lofty chamber with a domed ceiling, down either side of which and along the centre are rows of long pews, technically known as "boxes." Each box contains a narrow writing table with room for three on a side and here the underwriters sit with their clerks beside them to record the risks accepted, sign policies, or take down claims. At the end of each writing table is a wire basket in which are placed the signed policies ready for collection by the brokers, and the two broad gangways are thronged by an ever-shifting and busy crowd of these and their clerks going to and from one underwriter to another most of them carrying in their hands leather cases of slips on which are

written all the particular risks offered and taken.

On the left as one enters is the desk of the superintendent of the room, and a little beyond it is a reading-desk, on which rests, open, one of the most fateful volumes in existence—the "Loss Book." It is a great tome, bound in green leather, in which each day is written the list of the casualties at sea. In normal times, it is said that the merchant navies of the world lose 1200 vessels every year, one out of every five of which is a steamer, but upon all of which Lloyd's pay out insurance.

The loss of a ship is announced in a quaint and picturesque way. At the top of the partition screen hangs an old ship's bell, around which hangs a mass of rusty chains; underneath it is sort of platform topped by a great sounding-board. On this stands a gorgeously robed official, known as a "caller." In the midst of a profound silence pulls a cord, and the great bell tolls once. This means that another ship has gone down, or as it is officially called, "posted at Lloyd's." Should the vessel arrive in port after this announcement the bell is tolled twice, and the caller makes it known from the rostrum amid a breathless silence. This old bell has an interesting history. The bell once belonged to the French frigate "Lutine," which captured from the French, became a British man-of-war. In 1790, when laden with a treasure worth more than \$5,000,000, she went down in the Zuyder Zee, with only a single man left to tell the story of the loss. Successive generations of divers have tried to recover the cargo, but only the value of \$500,000 has been recovered, and the rest remains for the fishes and the mermaids. The bell was recovered and presented to Lloyd's where it has ever since remained—"an old bit of metal that speaks the most solemn tones in the world."

Since the outbreak of the war, the business of Lloyd's has increased very largely; so too have insurance rates. In some cases, so states Sir Edward Cooper, one of the best known of British underwriters, they have increased from a peace rate of half-a-crown per cent. to a war rate of twenty pounds per cent., and may go higher yet. At the outset Lloyd's would issue a policy, for no one had any idea of the nature of the risks. But when the Government adopted the war risks insurance scheme business at Lloyd's began to revive immediately. The British Government assumed 80 per cent. of the risks and charged a premium varying from a minimum of 5 per cent. This scheme is still in existence, but it does not apply to foreign-owned bottoms.

The membership of Lloyd's is somewhat exclusive, as every candidate for election must give proofs of his integrity and financial soundness. He is obliged, moreover, to deposit the sum of \$25,000, this being the minimum sum he may deposit as security for possible liabilities; the total of the amounts so deposited is over \$17,000,000.

Lloyd's deals in big figures. When the Oceona went down in the Downs with bullion to the value of \$37,500,000 destined for India, in March, 1912, the underwriters within 24 hours handed over an equivalent sum to the Bank of England to make good the loss; and a duplicate golden cargo was despatched by the next steamer leaving for Bombay. The amount of insurance on the Titanic was over \$10,000,000.

It is a rare thing for Lloyd's underwriter at Lloyd's to assume the entire responsibility for any one risk. What generally happens is this: Suppose a ship of 1000 tons is to be insured for \$100,000. The owner gets a broker to draw out his policy and this is taken to an underwriter. The first underwriter may become responsible for \$10,000 of the amount. The policy is then passed to other members of Lloyd's and particularly if the first endorsement is a good one, these others will take up the remainder of the risk. They append their names under the first signature and thus become literally "underwriters." This is the origin of the phrase.

Risks, of course are classified; so, too, are ships. Hence we have the classification of "A1" at Lloyd's and other marine classi-

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fications. For this purpose Lloyd's has surveyors who make reports on shipping in all the large maritime centres. We have one here in St. John's.

In addition, there are some 2000 Lloyd's agencies scattered over the world who send to headquarters annually some 100,000 telegrams and even a greater number of letters. So remarkable has become this network of agencies, that standing beyond the barrier which leads to the great insurance room, you may know exactly where each of the 100,000 ships that plow the seven seas is at the

moment—all, that is except the missing.

The library of Lloyd's contains a wonderful collection of charts, gazetteers, and works of navigation. Here you may scrutinize Lloyd's List (the oldest journal in England save one) which shows every day the position of each vessel. Here also is the Captains Register, which contains the record of every one of the 60,000 commanders in the British mercantile marine. This is consulted daily by various members who make sure, as one of the first safeguards, that the man commanding

the boat they are to insure, has a clean record.

We wonder how we are faring in this register just now!

THE SMALL NATIONS

There is, indeed, something that goes to the foundations of national character in the differences between our own and our enemies' attitude toward small nationalities that elect to be broken rather than to bend. Even when it was ourselves who were defied by and received shrewd blows from a tiny adversary, an appreciation of his

pluck and obstinacy seasoned all our feeling about the conflict, and it ended in those generous terms to the defeated which have borne such wonderful fruit in the course of the empire's present trial. But to Germany the crossing of her path of aggression by a small people is an outrage without any redeeming qualities whatsoever; the bolder the resistance the more furious the hatred aroused in the giant's bosom. The little nation, borne to the ground by sheer weight, is kicked and mauled in its helplessness till all humanity sickens at the spectacle and a

final victory for Germany would mean for both Belgium and Serbia, not mere political absorption, but an endless effort to destroy by main force everything that supports the sense of national identity. The British destestation of that bullying propensity which colors all Prussian life and policy had as much as anything to do with the fervent unanimity with which this country threw itself into the war.—London Telegraph.

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