

STOCK EXCHANGE PHRASES.

People are always willing to read about stock exchange operations or celebrities. But they do not always understand what they read, because the terms used are unintelligible. *Harper's Weekly* has devoted the following article to explaining them:—

Many of the phrases used in Wall street, as well as the methods of business on the Stock Exchange, are enigmas to outsiders. What are known as "privileges" are not officially recognized by the exchange. Yet these "privileges" form an important part in the daily life of some of the members of the exchange. These "privileges" are known as "puts," "calls," "straddles," and "spreads." All are purchased by speculators as an insurance against losses in their operations in the market.

A "put" is a contract given to receive and pay for stock at a price below the current market price for a cash consideration, usually 1 per cent.

A "call" is a contract to deliver stock at a price above the current quotation for a similar consideration.

A "straddle" is a dual privilege to receive or deliver stock at a price usually from 2 to 3 per cent. above or below the market figure, the consideration being about 1 per cent.

A "spread" is a privilege in two separate contracts, one a "put," the other a "call," the consideration for which is usually larger than in the other options, say $1\frac{1}{2}$ per cent. There are many other terms used on the Stock Exchange which may be briefly stated and explained.

A "break" in the market is a serious decline caused by a stringency in the money market or any other similarly potent factor in stock speculations. The bear clique attacks the market, and holders unable to carry the load of stocks sell out. A marked decline in values follows; the market thereupon breaks down.

"Ballooning" is to work up a stock far beyond its intrinsic worth by favorable stories, fictitious sale, or other cognate means. "Block," a number of shares, say five thousand or ten thousand, massed together and sold or bought in a lump.

To "buy in" is the act of purchasing stock in order to meet a "short" contract, or to enable one to return stock which has been borrowed.

"Carrying" stock is to hold stock with the expectation of selling it at an advance. A "clique" is a combination of operators controlling vast capital in order to expand or break down the market. "Conversions": bonds are frequently issued with a provision whereby they can at any moment be exchanged for equivalent stock; such securities are called convertible, and the act of substitution is styled "conversion."

"Corners": when the market is oversold the "shorts" are compelled to deliver, finding themselves in a "corner."

"Collaterals": any kind of securities given in pawn when money is borrowed.

To "cover": where stock has been sold "short" and the market advances, the seller buys in order to protect himself on the day of delivery; this is "covering" one's "shorts."

"Differences": the price at which a stock is bargained for and the rate on the day of delivery are usually not the same; the variation is known as the "difference," and occasionally brokers pay over his money balance instead of furnishing the stock; but such cases are rare.

A "drop" in a stock is equivalent to a "break," except that it may possibly be due to wholly natural causes.

"Forcing" quotations is where brokers wish to keep up the price of a stock, and this is generally accomplished by transactions among themselves. This is known also as "washing." To be more explicit, "washing" is where one broker arranges with another to buy a certain stock when he offers it for sale. The bargain is fictitious, and the effect, when this fact is not detected, is to keep the stock quoted, and if the plotters buy and sell it to a high figure, to afford a basis for actual transactions.

"Watering a stock" is the artifice employed to double the quantity of a stock without improving its quality.

"Long" in stocks is where an operator is carrying stock for a rise. To "load" up is where operators buy very heavily. To be "short" of the market is where an operator has sold stock which is not yet actually in his possession. "Milking the street": the act of cliques or great operators who hold certain

stocks so well in hand that they may cause any fluctuations they please, and by alternately lifting and depressing the price of the shares take all the floating money in the market. This is also known as "shearing the lambs."

A "point" is a theory or a fact regarding stocks on which one bases a speculation. The market is "off" when prices have fallen either in a week, a day, or even an afternoon. A "pool" is the stock and money contributed by a clique to carry through a "corner." To "unload" is to sell out a stock which has been carried for some time. There are other phrases in the Stock Exchange vocabulary, but the foregoing are those most used in the daily routine.

THE FUNCTIONS OF A CHAMBER OF COMMERCE.

At the twelfth annual meeting of the London Chamber of Commerce, the president, Sir Albert K. Rollit, M.P., made an address in which he touched upon the various functions of such a body as he was addressing. It might act, he said, as the intelligence department of the forces of commerce, and, in this respect, the London Chamber had answered 891 inquiries during the past year. They might advise, he said, not upon any particular speculation, but upon the general conditions of success or failure, and thus become the eyes and ears, as it were, of the commercial community. Want of information also facilitated financial fraud. There are always South Sea or other bubbles floating in the commercial atmosphere; always pills to put off the earthquake, and undertakings for objects to be hereafter disclosed. It is difficult to say how far governments and laws could take care of the fools as against the knaves of the world, and it is perhaps therefore best to try to teach the fools to take care of themselves by placing means of knowledge within their reach. For instance, deficient information is one of the chief causes which enabled fraudulent company promoters to be successful, the law securing information before, instead of after the fact, and being punitive instead of preventative, as it might be made by insisting upon prospectuses being more explicit and definite as to existing agreements (the substance of which ought to be accurately stated), as to real, as distinguished from the nominal capital, and as to the real relations of the promoters with the vendor, and by prescribing an efficient audit and securing proper and regular returns. Companies' returns to the Registrar ought to be enforced by the public authority; so should a real audit, and the returns ought to include particulars of debentures and mortgages, the issue of which is now often a source of fraud and speculation as distinguished from legitimate speculation.

The need of advanced commercial education enforces itself with the increase of international trade, and yearly the necessity grows of less insularity, more knowledge of language, moneys, and measures, so as to converse, correspond, quote and invoice to other peoples in their own tongues and systems, and so as to gain for ourselves an accurate knowledge of their trade, wants and requirements. The same remarks hold with regard to science, and especially applied science, for, while we have improved much, there is still a great want of skilled heads of departments, and of that knowledge of design and construction which led to the importation of so many special machines from America and Germany, and of works of art and taste from France, which itself felt the necessity of advancement by sending its pottery from Limoges to be decorated in the East.

As to our comparative trade, there is much doubt, and some—I think too much—despondency. The depression has been world-wide, and it must both end and mend, though there are undoubtedly, as had been foreseen, greater difficulties of British business than formerly. The Earl of Derby had said so long ago as 1836, in his speech on the Corn Laws: "The Continent will not suffer England to be the workshop of the world." Yet we have been, and more. We have worked and carried for the world, and, in by far the largest proportion, do so still. We had also supplied the world, and hence our accumulated capital and its power, and the earning power of £70,000,000 of our mercantile fleets. And both the facts and figures indicate in a recent parliamentary report that the amount (measured in goods, not in money) of our foreign trade has continually increased, and

that it is still true that there is no weakening in the hold of the United Kingdom (in comparison with its chief competitors, Germany, France and the States) upon either the import or export trade of the world. And this position may be improved by looking further afield and by colonial expansion and union. Once we treated our colonies as "plantations" for our own and sole business benefit; next, we counted their cost and cried, "Perish India;" now, we truly regard both as sources of mutual benefit and help, and as most useful and regular markets for our special manufactures. This feeling we must cherish. The less jeers we hear of "Australian finance" and "Botany Bay Budgets" the better. The Congresses of British and Colonial Chambers called by the London Chamber have done much good; the Intercolonial Congress at Ottawa, and the advocacy by Canada and Australia of British cable and other intercommunications, call for every sympathy, and even, if necessary, for some economic sacrifices for great political and commercial ends. The British cable question may become not only theirs, but ours; for if India were ever again in arms, and the overhead line between Bombay and Madras were cut, our only line of communication with Madras and Calcutta would then be by Russia and Eastern Asia, no safe route under such or similar circumstances.

BRITISH GROWN TEA.

The termination of another season produces figures which emphasize the steady headway which the teas of India and Ceylon are making in the favor of consumers in all parts of the world. It is not many years ago that China held the premier position as a tea-producing country, and supplied the bulk of the leaf consumed in the United Kingdom, but the energy of our planters in the British dependencies has ousted the Chinaman very effectually from our market, and such is the perseverance of our traders that it seems only a question of years before we are able to command the greater share in the tea trade of the world. Owing to the smaller crop last season in India the total exports were only 112,125,000 lbs., as compared with 118,759,000 lbs. in 1891-2, but during the twelve months just ended 123,712,000 lbs. have been shipped, both Australasia and America taking larger quantities than ever before, as well as the United Kingdom. Our own consumption, however, tells the best tale, for while the imports last year were about 3,000,000 lbs. smaller, the quantity used was only about 1,000,000 lbs. less than in the previous year, while during the past season, in spite of an increase of more than 6,000,000 lbs. in the receipts, the surplus of over $1\frac{1}{2}$ million lbs. extra has been consumed, thus showing that the demand has been greater than the supply. It is with Ceylon tea, however, that the greatest strides have been made, four years ago the consumption in England being only 42,616,000 lbs., or scarcely more than one-half of the quantity of China tea used, whereas during the past 12 months 71,076,000 lbs. of Ceylon has been delivered, against 50,678,000 China, representing now only 13 per cent. of the total quantity used, 86½ per cent. being British grown tea. Ceylon tea is also making rapid progress in the colonies and abroad, Australia and New Zealand taking more than double what they did two years ago, while to other markets 1,937,000 lbs. were shipped direct in comparison with 1,181,000 lbs. in the preceding year, and 4,066,000 lbs. were re-exported from here, as compared with 3,447,000 in the previous year and 2,093,000 in 1891. Should the consumption of China tea continue to decline at the same rate that it has been doing for the past four years, it will not take much more than a similar period to altogether extinguish its use in this country.—*Eng. Ex.*

—At the Alton County Court recently, says a Manchester paper, the trustee of the estate of Mr. E. Seward, grocer, sued a laborer named Burch for the sum of 10s. for goods supplied. The defendant, who had become totally unable to work by reason of illness, admitted the debt, but pleaded that he had no means of paying it. A gentleman in court offered to pay half the amount in settlement, but this offer the plaintiff refused. Thereupon the judge gave a verdict for the plaintiff, and ordered the amount to be paid by instalments of one penny per month. As the costs amounted to 3s., it will take over thirteen years to liquidate the whole sum of 13s. 1d.