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CHARACTERISTICS of the London Stock Exchange contrasted with those of other Exchanges in Europe and America — Five thousand members but they must not advertise—Settlement of accounts—Monopoly of the "Tickers"—Pen picture of the Exchange which re-opened on Monday

By STEPHEN HUTCHINGS

QUIE apart from the broad scope of its transactions, which embrace the globe and make it first among like institutions, the London Stock Exchange possesses features that put it in a class of its own.

The structure itself is huge, according to London standards, and its doors and windows open on to four streets, but beyond the constant stream of clerks and members passing through its unpretentious portals, and the clusters of shouting men forming the curb market outside after official hours, there is nothing to acquaint the tourist who chances through either Throgmorton and Old Broad Streets or Bartholomew Lane with his proximity to the "House."

It is situated hard by the Bank of England,—it takes a block to itself and is a long, low, mysterious building of dirty stone—the Mansion House and the Royal Exchange, which have grand exteriors and, in particular ways, an impressive air of their own. But the Stock Exchange is void of all signs of architectural ambition. There is no imposing portico of granite; no sheer columns of fluted stone. Instead, one sees modest wooden doors which appear, to the profane eyes of the Ishmaelites outside, who cast them furtively in, to burrow along gloomy passages into the sacred precincts. The sanctity of the "House" is no joke, as any scoffer visiting London may prove. The stranger is forbidden to enter, and if by some mischance or sense of humor on the part of those who saw his trespass but preferred to see the fun out to giving a warning, he wanders in, he is pounced upon immediately and made the astonished butt of a good deal of hilarious horse-play. The fun of the house is traditional.

The building is interned within the four sides of the block, and the outsider sees nothing but windows and doors any of which might belong merely to offices. Virtually, it is a patchwork building, which bears the mark of its birth. The original structure dates back to the beginning of the 16th century, but it was rebuilt in 1854, since when additions have been made by the acquisition of adjoining premises when they could be secured according to the exigencies of floor space. Consequently the building lacks uniformity, and a bird's-eye view of the floor shows the shape of the hall to be as serrated as a range of mountains.

The increase in the National Debt increased the importance of the London Stock Exchange, which practically had found its genesis in a coffee-house in which the traders used to meet to buy and sell the Funds. After the war of the French Revolution, which concluded in 1815, England's National Debt had increased to the appalling total of 758 millions sterling, while the charge for interest and annuities was no less than \$138,260,000. Old Jonathan's Coffee-house was long a resort of the brokers who preferred to do their business surrounded by some semblance of comfort, rather

than be jostled and hustled and exposed to the elements in Change Alley. Old Jonathan's was burnt down in 1748, but a New Jonathan's took its place and in July, 1773, it was resolved that "instead of its being called New Jonathan's, it should be called the Stock Exchange, which is to be wrote over the door." Business in the Funds was still done at the Royal Exchange and the Bank, but the members of Jonathan's paid a subscription, drew up rules and appointed a committee of management, so that in 1802 when they moved to the building in Capel Court, which is the origin of the present exchange, there were over 500 members. The committee consisted of 30 members or subscribers, of ten guineas each, to be chosen annually by ballot, while the treasuryship and management of the building were placed under the sole direction of nine trustees and managers as representatives of the proprietors who had provided \$100,000 capital in 400 shares of \$250 each for raising the new edifice.

Substantially the constitution of the London Stock Exchange is the same to-day. The nine managers, who are elected in threes for five years by the shareholders, fix the charges for admission and appoint the officials, whereas the committee control all the Stock Exchange business, administer the rules and regulations and adjudicate all questions and complaints between the members. The committee has power to suspend or expel any member for breaking its rules, non-compliance with its decisions, or dishonorable conduct.

No member may advertise or send out circulars to other than his own customers. This rule is controversial and may be admitted to have its advantages and otherwise. At present there are some 5,000 members with only enough business to keep half of them existing. The fault lies in the ease with which clerks may become members. The Stock Exchange company gets its revenue chiefly by subscriptions. At one time a member merely had to pay his subscription, find two or three sureties of \$2,500 each and nothing more was asked of him. This is not so now, in that a new member must buy a share and in most cases a nomination as well as having to find three sureties, albeit, the capital security got from him is altogether trivial and compares ill with the \$70,000 or so that a new member of the New York Exchange has to find for his seat, or the \$450,000 which a Frenchman must put down before he can become an agent de change. New York insists upon men of substance and failures are consequently more or less rare, whereas the failure of a Parisian agent de change is almost unheard of, and if he failed his brother members would be liable for his debts. France, of course, controls her markets in the interests of her investors and of herself, and her stockbrokers virtually hold an office under government. Securities not quoted on the Bourse may be so, because they do not comply with the statutes or because the government does not want them ad-