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OUR LONDON LETTER.

(Special to the CHRONICLE).

LONDON, 2nd February, 1898.

FINANCE.

The balance sheets of the banks are indicative of really substantial progress, notwithstanding the lowness of the lending and discounting rates. The Chinese loan is no nearer yet, but the prospects are full of hope. Rumours are current round the city about a big Japanese loan.

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The continually diminishing rate of interest is making investors restive, and following upon the failure of the Liverpool Loan comes the fiasco of the East India Railway 2½% debentures. Out of an offered \$3,000,000 only \$162,000 were subscribed for, at a price only a little below par. When a once favorite description of investment of this kind collapses it shows that the worm has turned. Its interest rate must be at least 2½% to make a do.

On 'Change the interest is veering round from Canadians to Mexicans. Can. Pacs. have got as high as they can at present, and the halt has been followed by frequent reactions. The bull accounts are top-heavy, and the gang who have been so persistently bulling are finding things rather overdone.

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More favourable Cuban news, and the New York Central and Lake Shore deal have considerably improved the American market.

Home rails are steady despite some unfavourable dividend announcements.

The foreign section is strengthening, Spanish rising into much better favour on receipt of more satisfactory Cuban news. South Americans have braced up, and prospects of more active business can be noticed.

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Mines are dull, many of the active operators being decoyed away to the Canadian and American markets temporarily. Forced sales of Westralians resulted upon a big broker failure. Recovery is slow. The London and Globe Finance group have remained exceptionally steady. The reported home-coming of Mr. Rhodes rallied charterers.

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Ernest T. Hooley has a big venture to place before investors soon. It concerns a patent and valuable method of hydraulic jointing. It is to be hoped that the glamour of Mr. Hooley's millions will not blind the investing public to the seriously reduced positions of most of the great man's former companies, and notably the Dunlop amalgamation.

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Hudson Bays are up again to 25, and are as full of profit probabilities as an egg is full of meat.

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Sir Thomas Lipton, the provision king, is seriously thinking of turning his business into a limited company which shall have a capital of \$15,000,000. He perhaps finds the cares of a new knighthood incompatible with the trammels of business.

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INSURANCE.

High hopes are being built by many insurance men on the new Employers' Liability Act. Six million men are affected

by the Act, and a great rush of employers for cover to existing and specially floated societies is expected. A new company has been formed, the Employers' Indemnity Assurance Company of Nottingham, and, amongst the old office, the Railway Passengers' Assurance has issued a leaflet explaining the Act and its terms for indemnity business. Big profits are looked for, and a great boom in insurance is confidently predicted by many.

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But, keeping one's head clear, a little dubiety may be allowed as to the real chances of any very great profitability. The headlong stampede of employers of labour into the companies is a prospect greatly exaggerated. The yield of profit from this class of business must be small—cor petition will see to that—and the permanence of the Bill itself is not to be relied upon. Besides, the ambiguity that doth hedge round all Acts of Parliament will provide an amount of litigation which will be very wearisome and expensive.

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The jurymen who sat throughout the lengthy and sensational Cripplegate fire inquest have had \$550 voted to them by the Court of Common Council in excess of the amount allowed them for expenses under the Act, which was, per head, eight cents!

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The New York Life's British branch has thoroughly overhauled its agency arrangements, and has extended its organization all over the United Kingdom.

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Commander Wells, of the London Fire Brigade, reports 168 serious fires and 3,332 slight fires in the Metropolis last year. The average for the 10 years prior to 1897 was 157 serious and 2,743 slight. Deaths are recorded to the number of 87. The Commander adds to his statistics some practical advice for the improvement of the fire extinction service. He says it should be practicable to concentrate 100 men under 15 minutes on any dangerous spot, and that the first engine should be able to be on the scene of a fire in less than five minutes. Each station, he also says, should be responsible for a certain district, and upon any fire occurrence should be prepared to use its entire strength.

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Progress is not the word for it with the Sun Fire and Life managements. They have conjointly rented one of the premier positions in the advertising world—the back cover of Kelley's Directory—and now comes the Sun Life's new Perfect Protection Policy, which by a 5% addition to ordinary whole life policies grants all kinds of additional benefits and options.

The Provincial Homes Investment Co. has taken over the business of the Provincial Sickness Assurance Co.

The Mutual Life of New York, or rather its British representatives, held high festival at the Grand Hotel on the 21st. General Manager Haldeman told everyone what good fellows they all were, and everyone reciprocated. Success is one of the best producers of camaraderie, and the Mutual's success is something to hold your breath about.

Here are some easy thinkable comparisons:

Assets of Prudential (British).....	\$150,000,000
" " New York Life.....	206,475,000
" " Mutual of New York.....	250,000,000

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Men say that it is impossible to start a right away new Life office now. Perhaps so. It works out differently where an office established to sell other kinds of insurance takes up life afterwards. The new branch of the sickness, accident and life is doing remarkably well.