

NOTES.

The United States headquarters of the London & Lancashire will shortly be moved to Hartford, occupying the same quarters with the Orient Insurance Company, which is owned by the big English corporation. Manager McIlwaine, of the London & Lancashire, has recently arrived home from Europe.

Manager Schreiner, of the Munich Reinsurance Company, recently sailed for Europe on one of his regular trips.

President Elbridge G. Snow, of the Home Insurance Company, has just returned from a two months' trip to the Pacific coast.

The new building of the Orient Insurance Company, in which the London & Lancashire is interested, will be formally opened on December 1, the date of the issue of this paper.

U. S. Manager Crosby, of the Royal Exchange, is absent on a trip to the Pacific coast.

The Royal will begin about January 1, to erect its fine new building at Maiden Lane and William Street. Upon its completion it will undoubtedly remove from its traditional headquarters at 50 Wall Street.

The London & Lancashire has paid its fine of \$1,000, imposed by the Union for infractions of the rules at Detroit.

The Hamilton Fire Insurance Company, of this city, has increased its capital stock from \$150,000 to \$200,010.

It is now expected that the Dryden bill for Federal Supervision of Insurance will be introduced in the coming session of Congress. Its comparative unpopularity among most classes of companies, however, will likely result in its defeat for the present, at least.

QUERIST.

LONDON LETTER.

FINANCE.

November 17, 1905.

After having been anticipated for a long time the report of the British South Africa Chartered Company (the shares of which are usually known in a breviated form as "Chartered") has been issued. Everybody seems very well pleased with it. The "bulls" loudly declaim that the country of Rhodesia is on the verge of paying its way, whilst "bears" are equally prevaricative in their declaration that what progress is being made is little more than retrogression. As a matter of fact the Chartered Company is a worry and anxiety to its shareholders. Originally the company was formed to take over the rights acquired by Mr. Cecil Rhodes, through a delegation sent by him to Lobengula, King of Matabeleland. Lobengula parted with mining rights over his entire territory for 2,500 dollars, 100 rifles, steamboats for the Zambesi and some ammunition. Rhodes and his party sold these same rights for a million shares to the Chartered Company when it was formed, and what he then sold was the basic asset of the Company. As chartered shares rose in the speculative boom eventually to the price of £9 each, some idea of the profit to Cecil Rhodes and his colleagues may be arrived at by easy calculation.

By degrees the capital of the Company has been raised to six million shares of the nominal value of five dollars, whilst debentures to the total nominal value of 6,250,000 dollars had been issued. The company is the actual sovereign of Rhodesia, both in the Southern and Northern provinces thereof. Every company formed to explore, to mine, or to farm has to issue a portion of its future shares in the Chartered Company, and beyond all this the company has also the rights to tax and levy that belong to a sovereign.

With all this the expenditure has exceeded the revenue and a gradual deficit has been built up to the tune of about 21,500,000 dollars. It is true that the annual deficits are getting smaller, but they have not yet got below the million dollar mark. The people therefore who buy chartered shares at 100 p.c. premium (which is the prevailing market quotation) whilst doing much better than the people who bought at any price up to 45 dollars per share, are still taking a long supporting chance.

Bank amalgamations are no new things nowadays, but sometimes they are viewed with regret. For example, the amalgamation of the Nottingham Joint Stock Bank with the London City and Midland Bank is viewed by the shareholders of the Nottingham institution with disturbed feelings. That bank was formed early in 1865 and sailed successfully through the bank panic which occurred in the May following, its financial position being at no time assailed. The bank is highly respected through its district and its position has been rendered especially strong by the fact that between it and its local clients there was real familiarity of feeling in a way which added to confidence.

Now the bank becomes a mere unit in a big aggregation, ruled from a central board in London. To many people it seems that this gradual disappearance of the practical local banker is to be regretted, and, while amalgamation makes for economy in administration, something is being lost which was of great value and which will never be regained.

The position of financial affairs on the continent is remarkably involved at the present time. Paris is, of course, deeply concerned with the condition of affairs in Russia, and Russian bonds are falling. The general Bourse managers keep calm, but the circumstances are very trying and may in the end prove too much even for the rigid defence set up by the financial heroes. At the present time Russian 4 p.c. bonds are quoted in London at the reduced price of £6½. A sympathetic writer from the French capital in the weekly Bourse issue of the "Temps," confirms the view that there is a dearth of new securities on the Paris Stock Exchange and that most of the shares and stocks quoted there anords scarcely any attraction either to the investor or to the speculator. Whatever introductions are made come along Sub Rosa and look like temporary rigs only.

The Italian Bourses are indulging in an all-round slump, especially at Milan. A considerable boom in local securities took place in the summer, and the present slump, whilst having its immediate reasons, really is a result of vast excesses. Electrical and metallurgical shares have been quite panicky. Difference of from 40 to 80 lire are recorded in a single day. Local credit institutions are compelled to sell in the open market in order to secure liquid means, as the savings banks will no longer grant advances on securities, with which their portfolios are already overcrowded. A recent issue of the *Economista D'Italia* shows that between the prices of the summer and present prices there is a depreciation of 187,000,000 lire. Besides metallurgical concerns, gas companies and mills have suffered extremely, whilst to a smaller extent the shares of the chemical industries have fallen sharply.

INSURANCE.

Insurance amalgamations have now got to be less in the air, and more in the world of positive fact. For some years the "Patriotic" of Dublin has been living a life of