

LONDON LETTER.

FINANCIAL.

We are dwelling in an atmosphere of Budget, and it is all Consols, sugar and coal. The income tax-payer has apparently accepted his import of 28 cents per \$5 of income in something like resignation; the sugar importer, despite the fact that knowing of the coming duty he has industriously rushed through stocks for months and months ahead, under the old non-duty conditions, is noisier, and the coal exporter and his retinues are the most turbulent of all. According to the latter the famous "shilling per ton" on all coal sent out of the country will mean ruin to the whole mining industry, and deputations sit upon Sir Michael Hicks Beach's doorstep day and night.

* * *

But it is with the new issue of Consols that the financial journalist is most concerned. For a long while now Consols have been a sort of Fetish, which no Government dare meddle with, especially in the way of addition. Hicks-Beach, however, is no craven, and when he sees his duty he goes for it—turning neither to the right or left. I imagine there are many members of the Cabinet who are seriously afraid of what an addition to the National Debt will do for them at the polls, but the Chancellor of the Exchequer has not allowed such considerations to weigh with him. And one thing is very evident, the city is unreservedly pleased at the abandonment of the previous policy of piece-meal borrowing.

* * *

In the Consols market there was a little strained feeling at first before the full details of the new issue were made, but soon stock was changing hands in anticipation at $\frac{1}{4}$ premium. When the particulars were published of the greatest loan of modern times (with the single exception of the French Indemnity Loan) there were biskier movements, but despite some accounts evidently written in anticipation of what should have been there was no wild rush, such, for example, as that which characterized the Khaki Loan issue. Still there has been an over subscription, and it is generally stated in the city that the \$150,000,000 privately placed was collared by a syndicate embracing the Rothschilds, the Wernher Beits (of South African fame), the Morgans and Sir Ewen Cassel.

* * *

Cable advices will already have told you of the great American Insurance Company applications, and let me add that all these widely advertised insurance applications are very obviously playing their part in getting new business. Bursts of proposals have followed each participation in our war loan issues in the last year or so.

Of course all these loans mean additions to the tax-payers' burden, but, on the other hand, they come in undeniably handy in these days when good high-class investments are being all used up, and banks, insurance companies and other great financial institutions are often at their wits' ends for some safe and profitable avenue for investing their surplus funds.

* * *

The only other thing which manages to make a show at all on the week is the West African mining market. The boom still persists, and, although prices are a little below the best of recent weeks (for example, amalgamated being at $16\frac{1}{4}$ instead of 18 and Warsaws at $6\frac{1}{4}$ instead of 8), the level of quotations is still extremely high. Four or five new issues are out, and, although they are receiving a large amount of public patronage, they are simply dangerous gamblers.

* * *

I know that all mining deals are necessarily speculative, and, therefore, something of a gamble, but the jungle crowd are about the wildest lot it has ever been my fortune to meet. Besides, the new companies which advertise their prospectives in the papers and do not mind the consequent publicity about vendors and promoters profits, which the 1900 Companies' Act demands, there are whole crowds of prospectusless concerns whose founders simply introduce the shares on the market. Then, by means of diligent press puffing and "making a market," premiums are achieved until the whole, or

a large part, of the stock is worked off. Once profits have been seized in this way the stock disappears from the market, and, when the innocent outsider would take advantage of his premiums, he finds no buyer.

* * *

Then there are crowds of private syndicates which have been formed for promoting purposes, and in most of these you find the inevitable West African nigger. I have had occasion to meet many of these gentlemen lately, and can only say that the Jewish Company promoter is artful enough in all concession, but, for sheer miracles of winning, give me the West African negro with concessions to sell.

* * *

There are many of them in London now, and they are mostly kings and professional men, lawyers and doctors predominating. Their attire is immaculate and perfect—the finest product in the way of a West End flaneur not possessing the smarter get up. With a facility for lying with a most engaging frankness when they are able to sell the same concessions to several different people, and disappear long before Cape Coast Castle can be communicated with and the truth discovered. Their rapid adaptation in the ways of civilized life is remarkable. Ten years ago most of them were wandering about the Jungle clad only in loin cloth and anklets. They speak English beautifully and have a smile that the white promoter would give his ears for.

INSURANCE.

Two hours and a half of solid speech and discussion resulted from the meeting held at Manchester last week by the Lancashire Insurance Company. The purpose of the gathering was to consider and confirm the provisional agreement for amalgamation with the Royal. After the Chairman's speech, which was "bulling," the amalgamation, a malcontent in the shape of one Ray, after asking and receiving answers to several questions, moved an amendment.

It said: "That, in the opinion of the meeting, the assets and goodwill of the Lancashire Insurance Company are worth more than the price offered by the Royal Insurance Company, and that the meeting be adjourned for the purpose of enabling the directors to negotiate for better terms."

Some rather lively times then ensued. An official of the Lancashire (Hastings) declared that all his colleagues were afraid of losing their jobs if they denounced the absorption, but he wouldn't. He suggested hawking the business round to other companies before closing with the Royal offer. Others of the audience ridiculed this. In the end only four people voted for the amendment, the vast majority of those present going heart and soul for the proposed consolidation. The original proposition having been agreed to the matter is now settled. The Lancashire has had a hard struggle, but, despite good organizers, the work was too much for it.

PERSONALS.

THE HON. J. A. COX, sailed for England on the *Lucania*, on 4th inst.

MR. GEO. SIMPSON, manager of the Royal, has been visiting Winnipeg to arrange for taking over the business and staff of the Lancashire.

THE FOLLOWING FIRE INSURANCE MANAGERS left for the Lower Province on last Monday, in connection with the new rates viz.: Messrs. H. M. Blackburn Sun Fire Office; T. L. Morrissey, Union Assurance Society; E. M. Lilley, London Assurance Corporation; G. R. Kearly, Imperial Insurance; I. B. Laidlaw, Norwich Union, and J. G. Borthwick, Secretary, Caledonian.