

LONDON LETTER

28th September, 1898.

FINANCE.

The City has now resumed its wonted aspect, and the cry of the traffickers is heard in the markets. Foreign complications such as those that cluster round names like Li Hung Chang, Fashoda, Dreyfus and Crete, tend to feverishness and uncertainty on 'Change, but the exercise of patience will soon bring us into the quieter, though duller ways of mercantile prosperity and rising markets.

* * *

Music-halls, new or rebuilt, are springing up throughout suburban London, and yet the profits to people holding shares in the older established variety theatres suffer no diminution. End-of-the-Century life produces an insatiable demand for something to have a good laugh over, and the modern music-hall, less vulgar and more funny than its immediate and remote progenitors, well satisfies that demand. A larger and ever larger class frequents these places, and even comparatively new halls like the Palace Theatre pay 20 per cent. dividends. To hold shares in some of the more ancient (though, in programme, most modern of the modern) halls like the Alhambra and Empire, is better than being a pioneer at Klondyke.

* * *

The London and Globe Finance Corporation, the parent company of so many subsidiary gold-mining and exploration concerns, has just been holding its annual meeting amidst a variegated haze of praise and blame. However, notwithstanding the fact that all the other finance corporations made rather bad records for the past year, the company now under consideration realized a profit of \$4,950,000, and as the capital is only eight millions, this does not seem a disconcertingly poor return. Some more of the company's assets are to be floated as subsidiary companies shortly, and one to be named the Standard Exploration Company will lead off with a working capital of \$1,250,000. The managing director of the London and Globe Corporation is Whitaker Wright, one of the best known and most abused men in the City.

* * *

E. T. Hooley does not allow the pending continuation of his bankruptcy-proceedings to weigh upon him unduly. Down at Papworth, he occupies himself all day long in farming, varied sometimes with long country walks of twenty miles or so, and occasional trips to town. He is looking the picture of health and ruddy vigor. He is the most extraordinary millionaire who ever juggled with fortune.

* * *

The many corruptions which have grown upon and around company promotion provoke perpetual agitation for a reform of company law. And with good cause. Take the facilities with which really bankrupt concerns can be launched anew, "reconstructed," as the euphemism has it. A company finds itself unable to pay its way, the directors have been guilty of practices that merit a harsh name; things are, we will say, approaching a crisis. What is to be done? Anything but face the music! So a committee of alleged investigation (probably friends of the directors) is formed and reports upon most things apart from any really

serious thing, and winds up by proposing reconstruction, and an assessment upon shareholders for new capital after a voluntary liquidation. There is a corset-house down Cripplegate passing through these stages at this very moment. The vendors of these companies wax fat upon the avoidance of their just liabilities, whilst creditors and ordinary shareholders ruefully contemplate their losses.

INSURANCE.

Some month or two back, it was mentioned in these columns that in connection with the Workmen's Compensation Act of 1897, several companies had banded themselves together in order to provide insurance against loss by great catastrophes, such as afflict mines, quarries and large building operations. They were the Sun Life, Guardian, Rock and Law Union. The partnership has now been widened, and embraces the London Guarantee and Accident, the Railway Passengers Assurance Company, and the Employers' Liability Assurance Corporation.

* * *

Upon this same question of Workmen's Compensation, it is rather interesting to note the experience of one office which went in for slicing off, not shaving, rates of premium. In one town it secured an income of ten thousand dollars, and reckoned, after allowing a probable 30 per cent. for claims and expenses, upon making a profit of six or seven thousand out of it. But notwithstanding that only about two months and a half have passed by since the Act commenced to operate, it has already got four fatal accidents to pay up for, and any number of minor casualties. Counting your chickens before they are hatched is a delusive and deadly pastime.

* * *

No big conflagrations are to be chronicled this time, but the multitude of little fires knows no cessation. Exceptionally pitiful is the continuous string of deaths caused by the exploding of low-flash petroleum. This year's figures will soon be rising into hundreds and, although reports of royal commissions have said that the flashing point of this fatal fluid sold by the Tea Rose Oil Company, *alias* the Standard Oil Trust, *alias* Rockefeller, should be raised to a point of safety nothing has been done. Hereditary and temporary legislators are vanished from our midst, and even the London County Council is not sitting.

* * *

If the "Milwaukee" goes to pieces, as she seems very likely to do on the rocks of Cruder Scars, near Peterhead, it will be another heavy loss to Elder & Dempster. She is partly covered at 5 1-2 per cent., was only built last year, is valued at \$400,000, and was engaged mainly in the Montreal trade in the season.

STOCK EXCHANGE NOTES.

Wednesday, p.m., 12th October, 1898.

Stocks developed gradually increasing weakness from Wednesday last, up to Monday, when a reaction set in, and the losses made have in many instances been completely recovered.

* * *

The cause for the break is attributable to the Fashoda trouble, and the liquidation of securities in Berlin