

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents

LONDON LETTER.

16th November, 1899.

FINANCE.

A most important new company was floated here last week under the name of the Egyptian Salt and Soda Co., Ltd. It is a creation of Chadwick & Co., and is directly a result of the conquest of the dervishes, a conquest which has opened a wonderful territory to British commercial enterprise. The new issue acquires most or all of the salt and soda producing agencies in Egypt, and has a capital of \$1,505,000. It will greatly extend and develop the industry, and has been received with enthusiasm by home investors.

The largest recent limited liability issue is R. White & Sons, Ltd., the famous manufacturer of cheap summer and winter non-intoxicating beverages. Besides turning out the well-known lemonade, ginger beer, etc., White's makes a large number of peculiar patent drinks; Kola, Kops ale, Hop ale, etc., which have a very wide sale amongst the working and lower middle classes. The profits for last year were \$555,745. The capital of the new company is four million dollars. This firm has been and is a most gigantic advertiser, and it has found publicity pay even in a trade with new and peculiar drinks.

Numerous other new issues are out, and altogether the promoting world is as busy as it enjoys being. For a long time there has been a depression in connection with the flotation of new joint stock enterprises, but the war amongst others of its curious results seems to have set things moving briskly and prosperously. No doubt a lot lies in the enthusiasm and confidence evoked by the determined 'hands off everybody' sort of expression about the Government's action.

The report of the great Consolidated Goldfields Company, one of the leading Transvaal holdings, shows a profit of five million dollars upon a share capital of sixteen and a quarter million dollars. No distribution of dividend is, however, being made during the present crisis. This is one of the mines that stand to benefit immensely under the proposed changed conditions in Transvaal gold mining. It will be able especially to develop a huge deep level area at a far smaller expense than would be required under present conditions.

Banking business is evidently flourishing, and the policy of expansion is being pushed on all sides. The London City and Midland Bank is opening four or five more local branches, and the London and South Western is following suit; another example of banking prosperity is Lloyd's Bank, Limited. In 1889 it held 82 1/2 million dollars of the public money; to-day it holds over 200 millions. Lloyds is one of the oldest banks existing. It dates right back to one Humphrey Stocks, who, in 1677, occupied a shop in Lombard street, made plate for Samuel Pepys, and handed down his sign, a black horse, to the bank. A curious point is that just where one of the bank's entrances now stands stood old Edward Lloyds' coffee-house, from whence sprang Lloyds' underwriter.

An interesting marginal note to the Transvaal War

is in connection with the rise in the shares of the land companies located over the Vaal. For example, Oceanas have risen within a couple of weeks for par to over 134. These are the shares that some years ago ran at last up to 27 before the boom broke—this prodigious rise being consequent upon a mad idea that got round that the Oceana Company's land covered three or four new Rands.

Trade is booming in spite of the war. As compared with October of last year our exports show an increase of 17 per cent., and imports 14 1/4 per cent. Of course, the South African trade is contracted, but everywhere else there is expansion.

INSURANCE.

The daily papers happened to drop across the news that some underwriters at Lloyds were insuring merchants against the possibility of loss through the outbreak of war with Russia. They, at once, dressed the information up, and in some cases gave it a top-of-the-column position. Continental papers copied the item, and it ran its devastating course all round Europe. Of course, it was really nothing more than a gamble on a bet on the part of some highly speculative gentlemen who tire of the sometimes monotonous course of ordinary marine insurance, and run for excitement and profit just outside legitimate business.

The Ancient Order of Foresters, an organisation having nearly seven hundred thousand members, and which grants fraternal insurance benefits, has a large number of reservists and active soldiers in its ranks. It has issued a circular pointing out that no rule exists by which the above classes of lives can be called upon to pay extra risk premiums, and, therefore, none will be charged.

The big fires of recent date have meant a pretty wide distribution of losses amongst the leading offices. The number of conflagrations has been unusually large. One of the worst was the partial destruction of the Sheffield Lyceum, a building and outfit worth over two hundred thousand dollars. By a wise foresight, this theatre had been fitted with an asbestos curtain, which divided the stage part of the house from the auditorium. This proved wonderfully effective and prevented a dangerous disaster.

In connection with the granting of benefit under the Workmen's Compensation Act, it has at last been definitely decided that a ladder is not scaffolding within the meaning of the Act. A painter who was knocked off a ladder while painting beams in a meat market had his skull fractured. He claimed compensation under the Act. The local sheriff dismissed his appeal on the ground that a ladder was not scaffolding as intended in the Act. The man appealed to the Court of Sessions where the case has finally been decided. To claim compensation you must be knocked off a fixed scaffold, not off a moveable ladder.

INFORMATION SOUGHT.

Montreal, November 25th, 1899.

Editor, THE CHRONICLE:—Would you kindly invite correspondence in order to glean the following information on a matter of considerable importance, namely:—"How to tell a strong Life Insurance Company by its Financial Report."

Yours truly,

J. S. W.