Stock Exchange Investments:

THE THEORY; METHODS; PRACTICE; AND RESULTS.

Econs.

BY

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Author of "The Rise and Growth of the English Nation," "The National and Domestic History of England," etc.

" Fill thy purse with money."—*Othello*, i. 3.

"We must take the current when it serves, or lose our ventures."—*Julius Cæsar*, iv. 3.

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PREFACE TO FIRST EDITION.

WHILE this Work was passing through the Press, various matters arose that seemed calculated to increase its interest and to extend its usefulness. Other points will, doubtless, occur to readers as being worthy of elucidation.

Any suggestions which they may be good enough to make shall receive careful consideration, and, wherever possible, shall be embodied in future editions.

FERNDALE, CROYDON.
April, 1896.

PREFACE TO SECOND EDITION.

VARIOUS points suggested have received treatment, and the facts and figures have been brought down to date. It is gratifying that the large First Edition should have been so soon exhausted, and that a Second Edition is required within four months.

August, 1896.

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FINANCIAL LANDMARKS OF THE NINETEENTH CENTURY.

1801. First iron railway, Croydon to Wandsworth.
Five per cent. Property Tax.
1803. Bank of France established.
Bimetallic Currency in France.
1805. Consols 58¾.
1806. Property Tax 10 per cent.
1807. Resignation of Abraham Newland, cashier of Bank 50 years.
1810. Commercial crisis.
Report of Francis Horner's Bullion Committee.
1811. Bank issues silver tokens for 3s. and 1s. 6d.
1814. Cape Colony ceded by the Dutch.
1816. Savings Banks brought under Parliamentary control.
Legal tender of silver limited to 40s.
1819. Cash payments resumed.
1825. Stockton and Darlington Railway.
Colony of Van Diemen's Land, or Tasmania.
1825–6. Commercial panic; 770 banks stopped.
1826. Joint-stock Bank Act for the provinces.
English and Irish currency assimilated.
1827. Bank of England opens country branches.
1828. Savings Banks Amendment Act.
1829. Colony of West Australia.
1830. Fauntleroy's forgeries cost the Bank £360,000.
Liverpool and Manchester Railway.
1833. Bank Act: Quarterly statements of its affairs.
1834. South Australia Colony formed.
Joint-stock banks established in London; the London and Westminster being the first.
1835. Railway mania.
Savings Banks Act extended to Scotland.
1836. London Joint-Stock Bank.

1838. London and Birmingham Railway.
1839. Union Bank of London, and the London and County Bank.
1840. Penny Postage inaugurated.
1841. Colony of New Zealand.
1842. Peel's Income Tax Act.
1843. Colony of Natal.
1844. Bank Charter Act.
Board of Trade empowered to examine railway schemes.
1845. Peel's new Tariff.
Irish and Scotch Banking Acts.
1845–6. Railway mania; 272 Acts passed.
1846. Corn-Laws repealed.
Numerous bubble companies.
1847. Commercial panic through railway mania.
Discount rate 8 per cent.
Gold discovered in California.
1849. Silver florin issued.
1850. Railway Clearing House.
1851. Australian gold discovered.
Colony of Victoria.
1853. Income Tax extended to Ireland.
First Indian Railway opened, from Bombay to Tannah.
Australian Mints established.
1854. Crimean War; Income Tax 1s. 4d. and 11½d.
Usury Laws repealed.
1855. Strahan, Paul, and Bates' bank failed.
Limited Liability introduced.
1856. Grand Trunk Railway of Canada opened.
Royal British Bank failure.
1857. Commercial panic through American failures.
Bank Charter Act suspended.
Discount rate 9 per cent.
1858. India transferred to the Crown.
1859. Colony of Queensland.
Commercial panic, through fear of European war.
1859–66. Period of contractors' railways.
1860. Commercial Treaty with France. (Jan. 23.)
Great failures in the leather trade. (July.)
Bronze coinage issued. (Dec. 1.)
1861. Cash payments suspended in America.
1862. Cotton famine in Lancashire, owing to the American Civil War.
Companies Act amended.
1863. Savings Banks Acts consolidated.
Confederate States Loan for £3,000,000.
1865. Commercial Treaty with Austria.
250 Railway Bills passed.
Indo-European telegraph.

1866. Commercial panic, through over-speculation in companies.
"Black Friday," May 10. Overend, Gurney, and Co.'s. failure.
London, Chatham, and Dover Railway stopped payment.
Atlantic cable laid.
1867. Companies Act further amended.
Dominion of Canada formed.
1869. Albert Assurance Co. failed for £8,000,000.
Telegraphs acquired by the Post Office.
Suez Canal opened.
1870. Commercial panic.
Coinage Act. (April 4.)
1871. European Assurance Society failed.
1871–3. Payment of Franco-Prussian War Indemnity of £200,000,000.
1872. First Railway in Japan. (June 19.)
1873. Regulation of Railways Act.
1874. Fiji annexed.
1875. Railway Jubilee at Darlington.
1876. Imperial Bank of Germany opened. (Jan. 1.)
Demonetization of silver in Germany.
Mr. Goschen's scheme of Egyptian finance.
1878. City of Glasgow Bank stopped payment.
Gold at par in the United States for the first time since 1862.
Bland Silver Coinage Bill. (Feb. 16.)
Royal Commission on the Stock Exchange.
1880. Canadian Pacific Railway sanctioned.
1883. Bankruptcy Act and Board of Trade control.
Northern Pacific Railway opened. (Sept. 8.)
1884. Conversion of Three per Cents. into 2¾ by Mr. Childers.
Metropolitan Inner Circle Railway completed.
1885. Egyptian Financial Scheme for reduction of interest and loan of £9,000,000.
Canadian Pacific Railway opened.
1886. Royal Niger Co. incorporated.
Witwatersrand Gold Fields.
1887. Conversion of Three per Cents. by Mr. Goschen.
Johannesburg founded.
Double florin, &c., issued. (June 20.)
1888. Bimetallic League.
1889. British South Africa Co. incorporated.
Numerous strikes and labour disputes.
1890. Winding-up Amendment Act for Companies.
Bank of England authorised to increase note issue by £250,000.
The Baring collapse.
1892. Railway and Canal Traffic Amendment Act.
Silver coined in Victoria, Australia.
Utah (U.S.A.) Gold Fields.
Bank Act.

1892. Failure of Liberator Group of Companies. (Sept.)
Department of Trade and Commerce created in Canada.
Sir Julard Danvers retires after fifty years' service as Government Director of Indian Railways.
Value of Indian rupee 1s. 3d.
Committee appointed to consider Australian Federation.

1893. India Currency Committee Report.
Silver Purchase Repeal Bill passed by United States Congress
Imperial and Intercolonial Conference at Ottawa.
Twelve Australian Banks stopped payment. (May.)
New Coinage Act. (March 28.)
East India Loan Bill of £10,000,000. (Dec. 21.)

1894. India Stock converted from 4 to 3½ per cent.
Manchester Ship Canal opened. (Jan. 1.)
New Zealand Loan and Mercantile Agency Co. reconstructed.
Loss to Bank of England of £250,000 on unsecured advances.
Coolgardie Gold Fields.

1895. Financial Crisis, Newfoundland. (Jan.)
Australian Federation Enabling Act. (Feb. 6.)
Treaty of Peace between China and Japan, the former paying an indemnity of £20,000,000. (April 16.)
President Cleveland's Message to Congress respecting Venezuela and England. (Dec.)

1896. Consols reached 113¾. (June 1.)
Budget estimates for year 1896–7 : Expenditure, £100,047,000, and Revenue, £101,755,000.
Capital of New Limited Companies formed Jan. 1 to June 30, £97,000,000.

INTRODUCTORY CHAPTER.

"Believe not much them that seem to despise riches, for they despise them that despair of them, and none worse when they come to them. Be not penny-wise: riches have wings, and sometimes they fly away of themselves; sometimes they must be set flying to bring in more."—BACON, *Essay* 35.

CHAPTER I.

INTRODUCTORY.

ONE of the most remarkable developments of modern times is the rapid growth of Stock Exchange investments. Every year an increasing number of persons take a deep interest in the fluctuations of the Money Market. Probably no portion of the newspaper is perused with more attention and interest than the columns devoted to this subject. Many weekly papers are entirely occupied with it, and several daily papers, conducted with signal ability and enterprise, are wholly engaged in the discussion of financial topics, and in recording financial information gathered from a wide area. Nor is this surprising, considering the enormous monetary interests involved.

As is shown in a subsequent Chapter, the wealth and the savings of the country are rapidly increasing, and scope must be found for profitable employment. It is natural, therefore, for investors to make themselves conversant with a subject that concerns them so intimately, and they are to be commended for their intelligent study and for their watchfulness over the laws and the events that so vitally affect their prosperity. They manifest a growing desire to become acquainted with the business in which their fortunes are embarked, and with the many circumstances, direct or remote, that tend to cause fluctuations in value. To help to satisfy such laudable thirst for information is the design of the present work.

Upward and downward movements in the prices of securities, if genuine, and not caused by "rings" and "corners," indicate the political and commercial positions of States and corporate bodies whose stocks are quoted. On a moderate estimate £5,200,000,000, representing the national savings,[1] are largely dependent for their value and yield upon the quotations current on the Stock Exchange. Its aggregate of business is enormous, as shown by the cheques passed through the Bankers' Clearing House on settling days, which occur every fortnight, all the year round, besides special settlements. According to the returns, the total for 1895 was £7,592,886,000, or a million and a quarter in excess of 1894, but less than in 1889 and 1890. The average on ordinary days during the past year was £21,301,400, which increased by two millions

[1] See Appendix B.

on the fourth of each month, and by seven and a half on Consols settling days; while on those of the Stock Exchange the average rose to £54,361,600. The steady increase in the use of cheques and other negotiable instruments in carrying on the growing volume of trade with all parts of the world, shows that the small percentage of 2½ of coin and notes, as against 97½ of credit instruments, the recognised proportion some twenty years ago, is probably still smaller at the present day.

Many books have been written upon the subject, like Burdett's *Official Intelligence*, Skinner's *Stock Exchange Year Book*, Francis' *Chronicles of the Stock Exchange*, John Stuart Mill's *Political Economy*, Giffen's *Essays in Finance*, Fenn *On the Funds*, Poor's *Manual*, &c., but their size, intricacy, and technicalities repel ordinary readers. Numerous smaller manuals and *vade mecums* have appeared from time to time, such as those mentioned in the prefixed Bibliographical List. Occasionally a writer appears of the "I am Sir Oracle" temper, or of the Doctor Slop type, with no special knowledge of the subject, or like the proverbial literary hack of the Grub-street order, ridiculed in Pope's *Dunciad*, who, having egregiously failed himself, sets up as a conceited censor of others.

Nothing is easier than for the arm-chair critic of politics, war, literature, or finance, to pronounce an absolute and a dogmatic opinion on subjects of which he is profoundly ignorant. The value of his opinion is in exact proportion to the extent of his information, which may be represented by x, the unknown quantity. The prisoner for debt, in Hogarth's famous picture, being wholly impecunious, writes a pamphlet to show how the National Debt may be paid off quite easily. He advises others in making the fortune which he has dismally failed to make for himself. It is a safe aphorism that by no financial legerdemain can lead be transmuted into gold.

Most of the works mentioned above pre-suppose an amount of information on the part of the reader as to the usages of the Stock Exchange. The daily newspapers, both metropolitan and provincial, usually devote much space to a Money Article, and give elaborate tabular lists with cabalistic or arbitrary signs. Yet the necessity exists for a plain, clear, elementary, authentic elucidation of the subject. Great fortunes are constantly being made through stock operations for the rise and fall in prices, awakening a desire on the part of many to commence operations on similar lines, if they could only comprehend the mysteries that environ the Stock Exchange. That such transactions, when discreetly carried out, can be profitably conducted, is beyond all question.

Stock transactions are regulated by general laws similar to those which govern commerce, trade, industry, wages, and prices. It is mathematically demonstrable that an increase of securities or commodities, like a diminution in the quantity of money, will cause a general fall in prices, and that a diminution in articles, like an addition to the quantity of money, will cause a general rise. A high average yield on capital is a bounty on savings. A low yield tends to check savings, or causes investments to be made elsewhere.

An increase of consumable commodities, where the rate of yield on capital is not at the minimum, will lead to a rise in the price of securities, or, in other words, to a fall in the yield. The tendency of capital is to flow to trades in which the profits are high, and to leave those of low profits, with a consequence that some kind of equilibrium is produced, regard being had to other circumstances. Money lying idle, or at a nominal interest, in the hands of bankers, is instantly attracted towards a trade that is unusually profitable. There is always a large speculative fund ready to be embarked in anything likely to yield high profits.

The amount of money in circulation, and the state of credit, are important elements in fixing the price of securities. The conditions of business depend also upon political and public events; upon harvests and trade; upon the glut or the scarcity of money; and upon the number and the necessities of intending dealers. Dull and disagreeable weather, as a rule, affects the Stock Market, more or less. Other conditions being equal, the first half of the year is more active than the second, when the moneyed classes scatter for the holidays, and the activity of general business is lessened. But prices always regulate themselves, in the end, by the inexorable laws of supply and demand.

In the language of the Money Market, "security" means almost any kind of property which can be given in pledge for an advance; with the special characteristic that the article can be divided into such parts as can be exactly defined, and then submitted to the speculative manipulation of the market. Lands, houses, mortgages, bills of exchange, bills of lading, dock-warrants, and other things have an interest-bearing power in common with shares of joint-stock or of limited companies, or the debts of States. There are also articles capable of easy definition, but without interest-bearing power, such as raw materials in bulk and manufactured goods, which can be dealt with in Produce Markets. But the combination of interest-bearing power with facility of handling in a light and compact form, renders Stock Exchange securities easy and safe.

SECTION I.

The Theory.

"Money is the sov'reign power
That all mankind falls down before,
For what's the worth of anything
But so much money as 'twill bring?"
BUTLER'S *Hudibras.*

"I will be your purse-bearer."
Twelfth Night, iii. 3.

CHAPTER II.

THE GROWTH OF CAPITAL.

IN a paper read before the Statistical Society, December 17, 1889,[1] Sir R. Giffen estimated the increase in total capital at from £6,113,000,000 in 1865 to £8,548,000,000 in 1875, or 40 per cent.; and at £10,037,000,000 in 1885, or 17½ per cent. By way of contrast, it may be stated that Sir William Petty and Sir William Davenant, who were among the earliest to study political arithmetic, writing at the end of the seventeenth century, and with the imperfect data at their disposal, estimated the property of England at from 250 to 320 millions, at a time when its population was only five millions and a half. The growth during two hundred years is amazing. It was then, taking a mean between the amounts, only £52 per head. Now it is £270.

A century ago the national income could be estimated at not more than £200,000,000. It is

[1] *Journal*, March, 1890.

upwards of seven times that amount at the present day. In other words, there has been an increase from £16 to £35 per head. Similar increases have occurred in Germany and France, and to a less extent in other Continental countries. A wonderful impetus was given during the latter part of the eighteenth century to every branch of manufacturing industry. Old, tedious, and expensive methods of production were superseded. Marvellous ingenuity and enterprise were displayed in the improvement of machinery.

The first marked increase in the cotton manufactures of Great Britain had taken place about 1751. The cotton imported annually was £976,610. Twenty years later it had doubled; in 1780, it had risen to £6,767,613; and in 1894 the quantity was £15,965,320, in addition to £7,451,439 of cotton yarn. Inventive genius had long been engaged in devising improvements on the domestic spinning wheel, which could spin only one thread at a time, and that of an inferior description. The practical difficulties were at length overcome, mainly by the genius and perseverance of Sir Richard Arkwright, of James Hargreaves, of Samuel Crompton, and of Dr. Cartwright. Arkwright invented the spinning loom; Hargreaves the carding machine and the spinning jenny; Crompton the mule jenny, and Cartwright the power loom.

By these means the productive capacity was enormously increased. Great improvements were also made in other textile manufactures, such as linen, cambric, silk, lace, and the allied industries of dyeing, bleaching, and calico printing ; and the cheapening of the supply led to a corresponding increase in the demand. Josiah Wedgwood founded the great pottery works in Staffordshire about 1760, at the same time that Matthew Boulton commenced his great hardware works in Birmingham. Sheffield also about the same period became distinguished for its cutlery.

The above important inventions were crowned, and, indeed, were rendered practicable, by the application of steam power. Ever since the time of the Marquis of Worcester, in 1655, and of Savery and Thomas Newcomen at the end of that century, efforts had been continually made to devise steam machinery. James Watt, about the year 1763, commenced those investigations which ended in his great discoveries and applications. He succeeded in making a steam engine capable of being worked with a comparatively small expenditure of fuel, and of yielding any desired amount of power. Lord Jeffrey remarks of him, "His remarkable contrivance has become a thing stupendous alike in its force and flexibility, for the prodigious power which it can exert, and the ease and precision and dignity with which that power can be distributed and applied."

Just after the commencement of Queen Victoria's gracious reign the wealth of England, though much in excess of other countries, was small when compared with the recent increase. Foreign commerce was only beginning to reveal its latent possibilities. Money advanced for great exploring, manufacturing, engineering, and mercantile enterprises, at home and abroad, large in amount as it appeared to financiers and economists in those days, fell far short of the "potentiality of wealth beyond the dreams of avarice" of which Dr. Johnson spoke in sonorous phrase. The great Empire of India was a vision of the poets, who sung of golden sands, and spicy breezes, and pearls and gems. Not a third of the territory and of the people now comprised within that vast Oriental sovereignty then recognised, even indirectly and remotely, the British sway. Only a thin and broken fringe of the Australian continent was settled. Cape Colony and Natal were small and insignificant, and the Africa beyond was unexplored and unknown. Canada was a scattered and half rebellious province, of which England knew little and cared less. Its thousands of square miles in the Far West, given over to a few hunters and trappers who returned once a year to the borders of civilization, were as shadowy as the fabled land of Prester John in the Middle Ages.

Nor were the home resources comparable to existing accumulated and available capital. England had gone through a long and difficult crisis since the Great French War, at the close of which the National Debt was £885,186,323; or one-third of the estimated wealth of the country. With continual trade struggles; prices ever falling; enormous expenses of government; a plague of pauperism that seemed incurable; the rapid growth of a surplus population which agriculture was insufficient to employ, and to which the manufacturing system was imperfectly adapted, the country, just emerging from the prolonged Corn-Law strife, was hardly able to make ends meet. Of twenty-five millions of people, one-third were in Ireland in a state of semi-starvation through disastrous failures of the potato crop. In England and Scotland the great modern army of well-to-do artisans and factory operatives had not been formed, and there was no miscellaneous manufacturing industry to mitigate the sufferings of particular classes, like hand-loom weavers, whose primitive machinery was being rendered obsolete. Railways and steam-shipping were in their rudimentary stages; as were the thousand and one ingenious inventions since devised for utility and comfort.

The commencement of the second half of the nineteenth century witnessed the gold discoveries in California and Australia ; a wide extension of the railway system, on the Continent as well as in England ; and improvements in every branch of manufacture. Home trade and foreign commerce received a mighty impetus. The national wealth increased by leaps and bounds. Accumulated property compelled fresh outlets for its profitable investment, in shipping, in expanded trade, in telegraphy, in the iron, coal, and textile industries, in great public works, and in numerous useful inventions and processes. Compared with what was the case under a purely agricultural system, England is not only far richer absolutely under an improved manufacturing and commercial *régime*, but the extremes between good and bad years, owing to occasional failures in crops, are fewer and less irksome ; and even the most untoward events have diminished in intensity, because of almost boundless supplies that can be drawn from other countries.

The decade 1871–80 was especially remarkable for an abundance of capital. No less a sum than £2,000,000,000—the greater portion being from England—was devoted to the construction of railways in different parts of the world, besides £800,000,000 in loans to various nations. Many new factories, equipped with improved machinery, were built at enormous cost in Lancashire, Yorkshire, and elsewhere, to meet growing demands for textile fabrics. Fresh shafts were sunk to open prolific beds of coal and ore, and gigantic engineering establishments began to work. The vast sum of 985 millions, as compared with two millions in 1850, is now invested in Railways; besides enormous amounts in the Funds, in Municipal and Foreign Stocks, and in American, Indian and Colonial enterprises of various kinds. The total value is estimated at £7,246,902,726 according to a table given by Burdett.[1]

Fifty years ago, the foreign investments held in this country can scarcely be said to have existed. Judged by recent facts and figures there is an annual increase of capital, that is, of savings, to the extent of more than £200,000,000, for which, of course, profitable employment must be found. Besides the incessant expenditure on railways, agriculture, notwithstanding long depression, shows a constant outlay. House-building has gone on at an increasing rate in London and in all large towns. Mines and ironworks, it is true, show a diminution, after the busy and somewhat inflated period a decade and more ago. Machinery in the textile trades has been virtually superseded within living

[1] *Official Intelligence*, 1896 ed., p. 2071, and Appendix B.

memory by new appliances, and gigantic structural works have been reared at enormous cost. From the nature of the case, every other species of accumulation continues as before, but on a larger scale. The truth is that, owing to a wide division of labour, there must be a vast disorganization of industry, not a mere falling off from a former inflation, before accumulation can be suspended. Then, and only then, would the building trades, railway construction, ship-building, and numerous other industries, exhibit a widespread stoppage of work. There would be masses of unemployed labourers, far exceeding anything witnessed even in the terrible times of depression that were frequent before the free-trade period, when industry was deranged, and pauperism assumed threatening dimensions.

In the absence of such effects, it may reasonably be assumed that the causes are not present, and that there is no stoppage of accumulation. On the contrary, it goes on at an average annual rate; steadily increasing every decade. A considerable portion of it, beyond what is employed in the productive works or solid investments above named, may be described as floating capital, employed in what are known as liquid investments easily realisable. They have a great influence upon the Money Market and the Stock Exchange. Some of the millions thus used are in steady, if not in fixed, securities ; but a varying surplus, always large in amount, is ever available, and the changes in this surplus indicate the general state of trade. Whatever the amount, it is constantly accruing, and must find some suitable investment. Sir Robert Giffen estimates the annual average of what he terms "free saving," for investment purposes, at about £80,000,000.[1]

Mr. G. R. Porter[2] estimated the personal property of the nation in 1814 at £1,200,000,000, and at £2,200,000,000 in 1845. Thirty years later it had risen, according to Sir R. Giffen, to close upon five thousand millions, and real property was £6,643,000,000. The same writer, in his work on *The Growth of Capital*, estimated the total income of the country in 1885 at £1,200,000,000, and its capital value, ranging from four to thirty years' purchase, at £10,037,436,000. This is more than a two-fold increase since 1850, when, from somewhat imperfect data, it was estimated at £4,050,000,000, or a growth from £150 to £270 per head of the population. The present annual income is probably £1,500,000,000. Withal, no rise has occurred in prices, except in house rent in large cities, but rather the reverse ; while there has been a marvellous diffusion of comfort.

[1] *Growth of Wealth*, p. 153. [2] *Progress of the Nation*, p. 600.

Mr. John Bright, in a letter to a correspondent, and published in *The Times*, November 18, 1884, after referring to the great reductions in the prices of wheat, tea, sugar, and other commodities since the introduction of free trade, went on to say, "As to wages in Lancashire and Yorkshire, the weekly income of the thousands of workers in factories is nearly, if not quite, double that paid before the time when free trade was established. The wages of domestic servants in the county from which I come are, in most cases, doubled since that time. A working brick-setter told me lately that his wages are now 7s. 6d. per day ; formerly he worked at the rate of 4s. per day. Some weeks ago I asked an eminent upholsterer in a great town in Scotland what had been the change in wages in his trade? He said that thirty to forty years ago he paid a cabinet-maker 12s. per week ; he now pays him 28s. per week. If you inquire as to wages of farm labourers, you will find them doubled or nearly doubled in some counties, and generally over the whole country advanced more than 50 per cent., or one-half, while the price of food and the hours of labour have diminished. It may be said that milk and butter and meat are dear, which is true, but these are dear because our people by thousands of families eat meat who formerly rarely tasted it, and because our imports of these articles are not sufficient to keep prices at a more moderate rate."

These observations are not weakened after the lapse of twelve years, and it is gratifying to know that cheapness and comfort are so widely diffused. Other considerations, however, must be kept in view. As Mr. Bagehot points out,[1] popular writers and speakers, ignorant of Political Economy, but eager for a cheap popularity, are prone to flatter the working classes by telling them that they create the wealth of the country. As well might it be said that the compositors produce *The Times* newspaper day by day. The craftsmen are necessary, but there must be inspiring, directing, controlling minds, who have the sagacity to perceive what is required, and the enterprise and the capital to adopt proper means and to open up new markets.

It must be remembered, however, that nominal values are not everything, nor are they the surest test. The range of prices for most commodities is far lower than it was formerly, so that the average real income per head must have more than doubled. The facts are exactly known as regards wheat and other staple articles, while it is equally well known, as regards articles of manufacturing industry such as coal, iron, and the textile trades, that the cost of production has enormously diminished. The uniform testimony of statisticians of the highest order, in England, on the Continent, and in America,

[1] *Economic Studies*, p. 69.

shows that there has been a general rise of money wages within the period; in few cases of less than 50 per cent., and in many of 100 per cent.

This tends to refute a misapprehension, not infrequently entertained, as to the distribution of the increased wealth of the country. It is sometimes said, for example, that the labourers, so called, produce the whole of the £1,500,000,000 of annual income, which, it is alleged, is largely consumed by a small minority. The difficulty, however, lies in determining what is really labour and what is really production. An inventor, a great merchant, or a distinguished artist is as much a producer as the man who labours with his hands for daily wages. Those who contribute under Schedule D of the income tax, which embraces trades and professions, are most certainly to a very large extent producers, as is the case with the farming class, who return their income under Schedule B.

The unskilled labourer cannot work machines, which are essential to modern production. Left to himself, he would be unable to carry on the work. It is his misfortune, if not his fault, that he is so poorly equipped as to be able to produce so little. Not only has there been a large increase in money wages, but the hours of labour have materially diminished, probably, according to Sir R. Giffen's estimate, to the extent of nearly 20 per cent. There has been at least this reduction in the textile, engineering, and house-building trades. Thus the skilled workman receives from 50 per cent. to 100 per cent. more money for 20 per cent. less work, in addition to which the purchasing power of money, perhaps with the sole exception of house rent, has been enormously increased, and the style of living is an immense advance upon that which prevailed one or two generations ago. Moreover, while the cost of government has been greatly diminished to the artisan, he receives more from the public expenditure than was the case formerly. Many indirect taxes upon the necessaries of life have been wholly abolished, and the rest have been reduced to an extremely small amount.

Few people seem to be aware how, simultaneously, there has been an increase of expenditure out of the taxes and rates for miscellaneous public purposes, of the benefit of which the working classes receive their full share, and, as some allege, considerably more than their share. Stating the case broadly, it may be said that nearly £20,000,000 of the public expenditure for education, for the Post Office, for inspection of factories, and for other purposes, is entirely new, as compared with fifty years ago. It is the same with local government; the total of which has trebled in the same period, mainly from improved systems of poor relief and from the enormous outlay for sanitary purposes.

Mr. Dudley Baxter, in his estimate of the national income in 1867, arrived at the general conclusion that there were in the United Kingdom 13,720,000 persons having incomes or wages, out of about 30,000,000 of the then population. He further estimated that 1,162,000 were assessed for income tax; that 1,497,000 belonged to the middle and upper classes, with incomes of less than £100 a year; and that 10,961,000 belonged to the manual labour class: by no means to be identified or confused with the working classes in the economic sense of the word. Their incomes were estimated at £325,000,000, and the total income of all classes at £814,000,000. Mr. Leone Levi, by a different process, arrived substantially at the same conclusion, which of course must be regarded only as approximate. Making comparison, so far as means exist, with fifty years ago, the total income of the country then was only about £500,000,000; two-fifths of which were derived from agriculture.

Sir R. Giffen [1] gives a table showing how, in his judgment, the income of the capitalist class has increased only 110 per cent, in 50 years, whereas the income of the working class appears to have

[1] *Essays in Finance.* Second Series, p. 404.

increased 160 per cent. At the same time the former class has greatly increased in number, so that the amount of capital possessed among them per head has only increased 15 per cent., notwithstanding the great increase in the capital itself. In his opinion the richer become more numerous, but not richer individually, while the poorer are, to some smaller extent, fewer, and those who remain poor are individually twice as well off, on an average, as they were fifty years ago; so that he thinks they have enjoyed almost all the benefit.

Not to burden these pages with statistics, full particulars of which may be found in the works already mentioned, the following items of information are interesting. They will give point and emphasis to subsequent Chapters which deal with the judicious use and profitable investment of accumulated wealth. No one is likely to expose himself to the reproach which Shakspere puts in the mouth of Shylock, "Tell not me of money. This is the fool that lent out money gratis." [1]

According to the census of 1851, the population of the United Kingdom was 27,595,388. In the middle of 1895, according to the Registrar-General's estimate, it was 39,134,166. Owing to migration, the growth has been chiefly in London and in

[1] *Merchant of Venice*, iii. 3.

the large centres. Property and income tax returns show steady progress. The gross assessments fifty years ago were £251,000,000 for Great Britain and thirty-two millions for Ireland. The last returns for the whole of the United Kingdom give £706,130,875. The largest items under Schedules A and D were for houses, £149,625,984; for land, £56,212,734; for railways, £35,786,668; and for mines, £12,321,709. Of the total annual value of the property and profits assessed for income tax, the increase per head of the population is from £9 14s. 3d. to £18 0s. 10d. The increase in the assessments for houses is almost five-fold in the half-century. The following table sets forth the growth of the income tax, a penny of which yielded £770,773 in 1843, whereas now the yield for each penny is £2,012,500. The assessments and the yield were as follows at different periods :—

Year.	Assessments.	Rate.	Yield.
1813	£140,000,000	2s.	£14,978,557
1843	283,000,000	7d.	5,350,000
1853	308,000,000	7d.	5,509,637
1865	395,000,000	4d.	7,958,000
1875	571,000,000	2d.	4,315,132
1895	706,130,875	8d.	16,100,000

During the same period the Imperial revenue has swollen from £60,000,000 to £101,974,000; nearly one-half of which comes from Customs and Excise. Reductions in taxation have taken place to the extent of twenty-five millions over new taxes imposed. The National Debt has been diminished from £820,000,000 to £652,026,000, and the annual charges of all kinds from £28,100,000 to £24,977,912. Against these reductions, however, must be placed the rapid growth of local expenditure, from about fourteen millions to £82,129,425, including expenditure of every kind for local purposes; though the ability to meet this has increased with the increase of wealth, excepting as regards persons with fixed incomes, and the very large number of struggling tradesmen. The amount allocated to local purposes from beer and spirit duties, licenses, probate and estate duty was £7,367,000 for the year that ended March 31, 1896, in addition to which the contributions to local purposes for Government property were £3,745,412.

According to the last returns of the Board of Trade, the total declared value of the year's exports was £273,785,867, and that of the imports £408,344,810. The capital employed in banking is £190,024,717, and the aggregate deposits exceed £700,000,000. The number of depositors in Post Office Savings Banks is 6,108,763, and those in Trustees' 1,521,583; the amount standing to their credit being £97,266,116 in the former and £46,578,658 in the latter. There are 2382 building societies making returns to the Registrar, with a total capital of £51,538,691.

In addition, there are 1718 industrial and provident societies registered under the Acts, with a membership of 1,265,980 and a total capital of £18,041,051. Ordinary life assurance companies have a paid-up capital of £11,197,946, accumulated life and annuity funds £183,009,704, and reserve funds £4,129,264. Fire and marine funds of companies transacting life business amount, in addition, to £10,303,110. The above and other modes of insurance, as guarantee, accident, hail-storm, and plate-glass, are carried on by proprietary companies, and are of interest to investors, but the shares are not dealt in extensively. They may be bought to yield from 4 to 5 per cent. The business has been reduced almost to an exact science, and is conducted within a narrow area. There are also industrial assurance companies with a paid-up capital of £963,503, and life and annuity funds £11,165,725; and numerous friendly societies, headed by the Oddfellows and Foresters, with a membership of upwards of four millions, and property valued at £22,000,000, in addition to many unregistered societies. These figures serve to indicate the enormous growth of capital in recent years, and it must be repeated that suitable outlets have to be found for its profitable employment.

CHAPTER III.

HOW MONEY IS MADE.

INDUSTRIES, values, and prices depend in a large measure on the wealth and earnings of a country. Rich nations are always the largest consumers. Their supplies of necessaries and luxuries are drawn from every part of the world. Great Britain has the most extensive import trade, while Spain and Russia have the smallest. The real estate of the English people consists in their superior industrial qualities; in their skill and enterprise; in their vast and varied foreign commerce; in being the sea-carriers of the world; in their acquired capital; in their established credit; in their large investments at home and abroad; in ample stores of coal and iron; in great manufacturing resources; and in the ability to import boundless stores of food and of raw materials.

It is not forgotten that other nations are advancing along similar lines; but, if England is true to herself, she will hold her own. No amount of foreign competition can really injure an industrious, enterprising, thrifty, and vigorous community with a far-reaching and long-established trade. If danger exists, it is from the same direction as that which enfeebled and at length overthrew the pride and pomp of ancient Rome. Luxury, supineness, self-indulgence, an aversion to hard and honest work, an excessive craving after mere amusement and excitement, constitute the bane and entail the ruin of any nation.

Without yielding to mere pessimism, it may be conceded that enough truth lies in the warnings of some modern Cassandras to justify an appeal to all who occupy responsible positions, and who wield influence over others, to warn them against the indolence and the shirking of disagreeables which are apt to appear with the swift possession of assured wealth. Shorter hours, frequent holidays, and extravagant living can only be justified by increased energy and skill in work. Production must continue, in spite of artificial rules to limit and regulate it, if wealth is not to be lost. The maximum of pay with a minimum of labour is not the end of existence, or the means of securing individual and collective prosperity. The great object with many seems to be to extort the highest possible wages for the fewest hours of perfunctory work, with as many holidays as possible, and a gratuitous pension in old age, provided at the expense of others, like self-respecting, industrious, and thrifty artisans, who must not be identified with the clamorous and incompetent assertors of pretended "rights."

Such events as the gold discoveries in California and Australia disturb the normal course of trade by causing an immense migration and temporary colonization, and by the commercial demands which are suddenly created. The Lancashire cotton famine, also, itself one of the secondary consequences of the American Civil War of 1861, disturbed the trade of the civilized world. For nearly fifteen years it stimulated the growth of cotton in India, Egypt, and Brazil, leading to a great export of capital to those countries for their further development, and induced a great movement of the precious metals, which in turn stimulated trade in various ways, and finally contributed to such incidents as the City of Glasgow Bank failure in 1878, due to the excessive investment of capital in the Eastern trade during the cotton famine.

The payment of the German indemnity in 1871–3 was another disturbing event which swelled for a time the export trade of France, and the countries which lent money to France. Besides such notable events, the history of the last fifty years comprises the Irish famine, and the exodus to America which followed; the Crimean, the Franco-Austrian, and the Franco-Prussian wars; the demonetization of silver in Germany; the resumption of specie payment of gold in the United States; and cycles of bad seasons of agriculture in England.

Money does not increase of itself. To use Lord Bacon's expressive phrase, "Money is like muck: no good except it be spread."[1] The fable of Aladdin, in the *Arabian Nights*, has no counterpart in real life. The ancient plan, still largely practised in the East, was to hoard gold and jewels, or to bury them in the earth for safety. Some people in England are not much wiser. During the last financial panic a man drew £5000 from a bank that was perfectly solvent; preferring to have the sovereigns tied up in bags in his house, where he kept them, in constant apprehension of fire and burglars, until his decease some years later. Not only did he run the risk of fire and thieves, but the money yielded him absolutely nothing. Even at 2 per cent. he lost £500 in five years, to say nothing of his constant anxiety over his treasure.

If an extreme instance, in degree, the above is far from being solitary in kind. It is wanton and wicked waste to destroy the necessaries of life, or

[1] *Essays*, No. 16.

to burn valuable pictures and books. It is surely culpable for ignorance or indolence to lock up money in unproductive investments, or to be content with a paltry return when the bulk of the capital might be judiciously and safely increased, and its actual money-earning power extended. Every one should seek to obtain the most he can for his money; but in the eager desire for high dividends the principal is not seldom lost. In preference to locking up the money in what is called an "investment," but which is always, more or less, a "speculation," as is demonstrated in the next two Chapters, advantage should be taken of the fluctuations of the market to buy and sell opportunely, so as to earn a percentage far beyond the usual rates of dividends.

Possessing capital, even to a moderate extent, conjoined with common sense, it is easy enough to earn money. There are two ways of obtaining a return for capital; either in the form of dividend, or by an increase in the value of stocks or shares on realization or redemption. Hence there may be but a small dividend declared, or none at all, and yet a good profit may result from enhanced value. The difference in price, added to the accrued interest, if any, represents the percentage gained during the holding. Care must be taken in the selection, and none chosen without full investigation as to their history, or without reasonable probability of success in some form, either in the way of dividend, or, better still, by selling to advantage and then re-investing, and so on, *da capo*.

In our complex commercial and industrial system the use of actual cash is economised in many ways. Bills of Exchange are at once certificates of debt and substitutes for cash. By their means remittances between distant places become possible. Debts owing by various persons in distant places are exchanged and balanced by bankers and bill discounters, and the actual use of cash is economised. Bank notes are also certificates of debt and substitutes for cash, of which only a part is kept for the total of the nominal value issued by banks, thus saving usually two-thirds or more of the amount. Besides, paper circulates more easily than gold or silver, and the same nominal amount is more serviceable in settling transactions.

The introduction of banking deposits and of cheques still more economises cash and increases its potency. In this way capital is kept in constant circulation. The amount as represented by loans from banks, and by deposits with them, may vary from day to day, but the adjustment is easy and instantaneous. Facilities are now so great, that any one possessing fixed capital can command circulating capital at any moment, either by borrowing from his bankers, or selling on the Stock Exchange to a dealer, who will borrow from a banker, if there is no immediate purchaser. The final result is that enormous payments are made, and extensive operations are carried out daily, for which the cash actually available would be a mere bagatelle.

The Bankers' Clearing House, Post Office-court, Lombard-street, is the medium through which bankers obtain the amount of cheques and bills received for collection from other bankers. The whole of the amount is settled day by day merely by receiving or paying the difference by a single cheque on the Bank of England. The Provincial Clearing Houses of Birmingham, Leeds, Leicester, Liverpool, Manchester, and Newcastle-on-Tyne transact an average annual business of £400,000,000. A given, but very small, quantity of the precious metals is thus made to do infinitely more work by means of the banker than it could do otherwise; while by means of the Clearing Houses a quick and an inexpensive mechanism is provided for the secure settlement of a volume of business transactions which could not take place without it.

CHAPTER IV.

THE BORDER-LINE BETWEEN INVESTMENT AND SPECULATION.

PHILOSOPHERS have written lengthy disquisitions, and have carried on wearisome controversies, in order to determine the dew-point, when the thick, viscid, noxious vapours of night are changed into the pellucid, clear, refreshing dew of the morning. In like manner much has been said and written for the purpose of distinguishing between investment and speculation. But they insensibly merge into one another. The borderline is so dim and vague as to be almost impalpable. In theory an investment is supposed to mean comparative safety, if not absolute certainty; but an element of speculation enters into every such transaction. A speculator, also, invests his money in the hope of realising an adequate return. A common aim is sought by both, and by the use of similar means. Every investor runs a certain amount of risk, and as it is the unforeseen that commonly happens, he may be involved in heavy losses just as much as the speculator.

Men often delude themselves with words. Sense is sacrificed to sound. Mellifluous phrases and sonorous epithets impose upon the unreflecting. Hobbes of Malmesbury says that "words are the counters of wise men, and the money of fools." If money is placed where the nominal value is subject to little or no fluctuations, and if the dividend upon it is regularly paid, though the amount be small, the name of investment is commonly given. But if the money be placed out, not so much with this view as with a reasonable expectation that the market-price of the capital stock will rise, it is usually called a speculation. As Samuel Butler says, men "compound for sins they are inclined to, by damning those they have no mind to."[1] The gain in this case is styled profit, while in the former case it is styled interest; but the two things are practically identical. It is a mere refinement in language to press the discrimination too far. Yet, as the things represented have come to be deeply-rooted in the popular mind, it is convenient to adopt the accepted nomenclature, with proper reservation.

Another group of investments may be designated as fluctuating. They include most of the commer-

[1] *Hudibras*, part i. canto i. line 215.

cial joint-stock enterprises, with banks and insurance companies having considerable uncalled capital, and ordinary railway stocks. In dealing in such matters, three points have to be borne in mind, viz., the security of the capital, the amount of further liability, and the interest likely to be secured. The purchasing price necessarily varies with circumstances. It is so even with gilt-edged securities like railway debentures and Consols. The former, though paying a uniform 5 per cent., have been known to vary in price as much as 14 per cent. in five years. Consols, though displaying, on the whole, an upward tendency, have also been subject to disturbing influences. During the last eight years they have ranged from 95¼ to 110.

It is not to be expected, therefore, that other investments will have a fixed value, nor is it desirable. The secret of success is to know when to buy at the ebb, and to sell out at or near to the flood. Taking a wide range of circumstances, spread over a period, if the general trend is downwards, a particular stock has no attractions. But if against a downward tendency on the whole a much larger rise can be observed at some stages, the conclusion is that a venture may be made with a fair prospect of success. Not to burden these pages with minute and complicated tables, there are numerous publications giving the highest and lowest quotations during a period of years, such as those published annually by Mathieson. A selection of the principal stocks and shares will be found in Appendix F.

Of the thousands of transactions on the Stock Exchange it is roughly estimated that about nine-tenths remain uncompleted. That is to say, there is no actual payment for and delivery of the stocks bought or sold; nor is this contemplated. It is a matter of pure speculation, temporary and determinate, but none the less real. The usage is to pay or receive the difference in price on the agreed day of settlement. Success in this direction requires a cool head and a sound judgment, combined with some knowledge of the inner working, and the boldness to seize upon the supreme moment. Given these conditions, a moderate capital will permit extensive operations, which, judiciously spread over a wide area, should yield considerable returns, though they cannot be turned out with the precision of Babbage's calculating machine. But the knowledge must be acquired by experience and used with skill. Men are occasionally met who possess mingled timidity and boldness. They have fits and spasms of courage, but always at the wrong time. Like Bob Acres, it oozes out at their fingers' ends when the occasion demands prompt use.

Some persons prefer a settled investment, such as Consols, or corporation stock, or railway debentures, from which a small but fixed income is derivable. Of late years the market prices of such securities have risen, and they yield only about 3 per cent., or even less. The tendency is towards yet higher prices, with a corresponding diminution in the return. It seems to be becoming "fine by degrees and beautifully less," until it threatens to reach the vanishing-point. As a result, persons of this description spend much of their lives and resources in what Cowper describes as the profitless toil

> "Of dropping buckets into empty wells,
> And growing old in drawing nothing up."[1]

Others go to the opposite extreme and rush without due inquiry into a number of dubious or hazardous speculations. Their credulity induces them to believe highly-coloured statements and vague assurances of large profits that appeal to their avarice. They become mere gamblers; as much so as those at Monte Carlo or Homburg; or they fall a prey to what are called in America "wild-cat" schemes. To believe unquestioningly all the rhetorical statements in a prospectus is as sensible as pouring water through a sieve. They smile at the simplicity which accepts the glowing description of the settlement of Eden, in Dickens'

[1] *The Task*, bk. iii.

Martin Chuzzlewit, and yet they manifest similar infantile trust in schemes just as visionary.

What are termed "gilt-edged securities" have obvious uses. They will always be in demand for what are regarded as permanent investments. Under the existing stringent law of trusteeship, those who occupy a fiduciary position, and have no personal interest in the amount of income secured, will, naturally enough, protect themselves and avoid all risk and anxiety by investing trust-money in such securities, even if they barely yield 2½ per cent. It is a moot point whether the drastic law applied to trustee investments does not effect more harm than good, and whether some less stern and rigid exaction of their liability would not prove better in the long run for the community. Existing regulations, especially when money is abnormally plentiful, and therefore cheap, foster an unfounded and pernicious belief in the minds of other people as to the peculiar safety supposed to attach to the investments defined by the law; thus producing an artificial inflation in values. So long as the fashion lasts, it will be well for the general public to avoid dealing in such stocks; because, the more frequent and heavy the transactions, the higher will prices become.

The same remark applies to property held for minors; for persons unable to manage their own affairs; for married women whose husbands would, if they could, speedily dissipate the capital; and for religious and charitable societies, having large bequests and funded property. But such things as Consols, with their certain tendency towards diminishing dividends, are not attractive enough to men of business, or to any who wish to obtain the best market return. Many families are struggling to live on restricted incomes which might be increased 20, 50, or 100 per cent. by other and judicious investments, without any diminution in security. For lack of the requisite knowledge or of good advice they fail to reap advantages enjoyed by others.

If a man chooses to take refuge under rules laid down by the Court of Chancery for the protection of property to a *femme covert*, or to children, lunatics, and imbeciles, and allows his money to lie almost dormant and useless in what are known as trustees' securities, he must not be surprised when his more sagacious and enterprising neighbours reap the reward of their knowledge and courage in returns compared with which his own are infinitesimal. He may, if he will, amuse himself by endeavouring to spin ropes of sand, or by ploughing the sea-shore, instead of watching for the opportunity that always waits on vigilant aptitude, and that comes to the man who is ready to seize it.

CHAPTER V.

LEGITIMATE SPECULATION.

EVERY business venture has to be made, more or less, in a spirit of speculation. It is entered upon in the hope of attaining a success which must, for a time, be problematical. A manufacturer produces new designs on the chance of selling the goods and extending his connection. A merchant brings a cargo from a distant port, or he consigns one to the other side of the world, hoping that a profitable market will be found. A tradesman stocks his shop every season with articles about which he is quite uncertain as to whether they will meet the taste or strike the fancy of his customers ; though he trusts that an inclination to purchase will be awakened by the attractiveness of his wares. Caterers of every kind produce or display an endless variety of articles that minister to the needs, or the pleasure, or the vanity of the public. Into all such cases the element of uncertainty, or risk, or speculation, largely and necessarily enters. The merchant has no hope, to use Milton's phrase, of

> "Winning cheap the high repute
> Which he through hazard huge must earn." [1]

Nor is it possible to avoid the feeling. Man is the only animal that makes bargains; for every investor who has made "a little pile" naturally wishes to increase it. When the opportunity offers he instinctively avails himself of the chance to carry on his operations. The feeling is so strong as to amount to a passion. But he is doing exactly what is done every day all over the commercial world. The literal and primary meaning of the word "speculate" is "to meditate; to consider a subject by turning it over in the mind, and viewing it in its various aspects and relations; to purchase articles of commerce in the expectation of gain from a rise in price." This involves forethought, comparison, judgment, on a variety of circumstances and possibilities, and a willingness to run a certain amount of hazard over the undetermined issues of a set of contingencies. Without this no business could be carried on; and the same applies to financial transactions.

For ordinary persons, who do not propose to make a systematic business of finance, and also for

[1] *Paradise Lost*, bk. ii. 470.

beginners, it may be well to suggest, as matter of prudence, that their available capital should be used so as to ensure the largest return with the smallest risk. For this purpose one portion, say one-third, might be placed in such permanent investments as mortgages, ground-rents, Consols, and other guaranteed securities which yield, at present rates, from 2½ to 3 per cent. A second third might be used in what is termed "permanent speculation," that is, in stocks which may be deemed certain to increase in value within a reasonable period. The judicious moment must be seized for buying and selling. The remaining portion could advantageously be used in temporary operations, and especially in the system of small and quick profits, as explained in Chapter xii.

The three divisions should be kept intact, and on no account should the temptation be yielded to of embarking in new companies; for the reasons set forth in subsequent pages. The general result, with common caution and prudence, will be a good average return upon the capital. It is well to restrict operations, at any one time, to three or four stocks of which the history is known. Money is not made any the faster, but will probably be lost, by opening haphazard accounts all round the compass. No business can be successfully conducted by acting upon the spirit imputed in

Dryden's trenchant satire of *Absalom and Achitophel* to the Duke of Buckingham, who was "everything by starts, and nothing long."

Much perplexity exists as to how and why profits are made on the purchase and sale of stocks, which rise and fall while the apparent conditions remain unaltered. The change is mainly determined by the demand and supply at the moment. In other words, it is fixed by the number of buyers and sellers and by their needs or convenience. The same economic law operates universally. Prices of goods, rent of houses or land, wages and hours of labour, cannot be determined by Acts of Parliament, or even by a combination of individuals; whether producers or consumers, employers or workpeople.

Legislative unwisdom tried for centuries to fix such things by drastic Statutes, all of which failed, though enforced by heavy penalties. If two masters desire the services of one man, or if two purchasers are competing for the same article, wages and prices will advance by an inevitable law. On the other hand, if two men are seeking employment from a master who requires only one, or if there be a superfluity of articles and few purchasers, wages and prices will fall. No artificial rules and restrictions can hinder the operation of this natural law. It applies to stock-dealing, and regulates its market value at the time.

The essential principle of commerce, wholesale or retail, in civilized life or in barbarian barter, is to purchase in a cheap market and to sell as quickly as possible at an advance. No commodities are so facile for dealing in as stocks and shares. They require no warehouse room. They involve no expense for carriage. There need be no actual delivery. The market is practically unlimited. Buyers and sellers are always to be found. The demand and supply are known, and prices are recorded and easy of access.

The Stock Market, if closely watched, affords unlimited scope for intending operators. It has as many possible combinations as the letters of the alphabet. Not a day, and scarcely an hour, passes without some fluctuations in prices, which furnish opportunities to intelligent speculators, quite apart from investments. Attentive observation, accompanied by sound and trained judgment, will perceive that occasions are constantly presented for buying good stocks at a low figure, which is certain to advance; so that a higher price is realised. But alertness and promptitude are essential; just as on the battle-field a commander must be quick to detect a change in the movements of an opponent, and to alter his own plan of battle. So in stock-dealing; profits which might be secured if the knowledge or opinion of to-day are turned to swift account, will be placed in jeopardy, or lessened, or wholly lost, by waiting until to-morrow or until next week, when the conditions may have changed.

It is possible not only to make profits on a rising market, but upon one that is declining. In this respect knowledge and judgment are peculiarly needed. If there be reliable information or a reasonable expectancy that a fall is impending, through any circumstances that are likely to cause existing holders of a certain stock to sell out, a wise man, boldly cautious, will contract to dispose at a price, with a prospect of purchasing elsewhere or later on at a lower price in time to meet his first engagement. All this, however, like many other operations here explained or recommended, requires shrewdness and promptitude in perceiving and acting upon the course of events likely to affect prices, and to do so while others are slowly debating or only dimly understanding. The man will be able to do it who studies the daily papers with care; and he will be successful if his judgment is sound and the information is correct.

Two extremes must be avoided. It is dangerous to carry a dread of change to such a degree—"stiff in opinion, always in the wrong"—as to hold on to investments that do not pay and are not likely to improve. In the opposite direction the mistake is made of perpetually and suddenly changing investments, from mere fitfulness, and without calculating the reasonable chances for gain or loss. One difficulty, that can only be surmounted by judgment and experience, is not so much what to buy or sell, as what not to buy or sell; or when to do something, and when to do nothing. If time spent in finding out mistakes in selecting a particular stock haphazard had been employed in obtaining reliable information about it, the chances of making money would vastly increase.

CHAPTER VI.

"SAFE AS THE BANK OF ENGLAND."

THE phrase at the head of this Chapter is "familiar in our mouths as household words." It is supposed to indicate absolute and unimpeachable security. Strictly speaking, there is no such thing. This is a disagreeable doctrine, but it is true. The Old Lady of Threadneedle-street herself has gone through a number of serious financial crises. The gravest during the last fifty years were in 1847, 1857, 1859, 1866, and 1870, when the Bank reserve was reduced from the average of ten millions to less than two, and when universal panic and terror prevailed. The immediate remedy resorted to was the suspension of the Bank Act of 1844, under authority of the Government, which had to be condoned by the Legislature at its next meeting. That Act provides for the separation of the business of the Bank of England into two departments, having entirely distinct accounts; the one for the issue of notes, and the other for ordinary banking transactions. The design was to prevent a note-issue beyond a certain amount, unless against an equal amount of gold held, so that the mixed currency of notes and coin might expand or contract with circumstances.

Experience has shown, however, when a foreign drain of gold occurs, that the quantity exported is chiefly taken from the Bank's reserves; being the withdrawal of deposits or loans. The amount of notes in the hands of the public has not been affected by the Act of 1844. In practice, when there are signs of a foreign drain, and the reserve is diminishing, the Bank counteracts the tendency by raising the discount rate, and thus restricting advances. The purchasing power of the public is thereby limited, and prices are kept down. At the same time gold is attracted to this country for investment, and the circulation is not really interfered with.

Some economists doubted at the time whether the unquestionable advantages obtained by the Bank Act of 1844 might not be too dearly purchased. Since the stringent test to which it was subjected in 1847, writers of high authority have expressed unfavourable opinions. Mill points out that the extension of credit by bankers is a great benefit in seasons of collapse, and the aid formerly yielded by the Bank, at whatever cost, was salvation in a crisis like that of 1825–26; that the notes thus issued in aid do not circulate, but go where they are wanted, or lie by, or come back again immediately as deposits; that the new law does not allow expansion till gold comes for it, when the worst of the crisis is over; and that, as banks must be the source of aids in crises, such an Act as that of 1844 must, in such times, be either repealed or suspended.

The experience of 1847 suggests a yet worse objection. There are many causes of high prices besides that of undue expansion of credit. Prices may rise by war expenditure; by foreign investments; by the failure in supplies in raw material from abroad; or by extraordinary importations of food owing to bad harvests at home. In these cases the gold would not be withdrawn from circulation, but from hoards and bank reserves; but the arrangement of the Act for securing convertibility is aimed at a state of high prices from undue expansion of credit, and from no other cause. The result is that the paper currency is contracted on occasion of every drain, from any cause whatever, and not merely when the gold is withdrawn from circulation; and thus a crisis is occasioned by every derangement of the exchange, or, at least, whenever there is pressure in the money markets.

Before the crisis of 1847 there had been no speculation which could account for such a terrible collapse. The railway mania raised the rate of interest, but it could not affect the exchange. The drain of gold was caused chiefly by the failure of the potato crop at home and by the partial failure of the cotton crop abroad. The Act of 1844 could not operate beneficially here; but, on the contrary, it wrought injuriously, by compelling all who wanted gold for exportation to withdraw it from the deposits at the very time that interest was highest and the loanable capital of the country most deficient. If the Bank might then, before there was any collapse of credit, have lent its notes, there would have been no crisis: only a season of pressure. As it was, it was necessary to suspend the Act of 1844; and Mill's conclusion concerning the measure is that the disadvantages greatly preponderate.

Bagehot remarks, "All our credit system depends on the Bank of England for its security. On the wisdom of the directors of that one joint-stock company it depends whether England shall be solvent or insolvent. This may seem too strong; but it is not. All banks depend on the Bank of England, and all merchants depend on some banker."[1] He also says, "All country bankers keep their reserve in London. They only retain in each country town the minimum of cash necessary to the transac-

[1] *Lombard Street*, p. 35.

tion of the current business of that country town. They send the money to London; invest a part of it in securities; and keep the rest with the London bankers and the bill brokers. The habit of Scotch and Irish bankers is much the same, and therefore the reserve of the banking department of the Bank of England is also the banking reserve of all London, England, Ireland, and Scotland too."[1]

Who could have foreseen, unless familiar with the inner arcana, the overthrow of the great House of Baring, in 1890, for liabilities exceeding £21,000,000, with all its presumed wealth and its long-continued financial prestige; or such failures in 1857 as the Liverpool Borough Bank, the Royal British Bank, and the London and Eastern Banking Corporation; or the collapse of Overend, Gurney & Co., for eleven millions, on Black Friday, May 10, 1866; or the stoppage of the City of Glasgow Bank, for twelve millions and a half, in October, 1878; or that of the West of England Bank; or of the Oriental Bank Corporation? To be wise after the event, and to say that such catastrophes were only to be expected, is easy enough; but with regard to most of the above, few, if any, persons were really apprehensive. Even those "in the know" on financial matters were staggered by the rude awakening to unexpected disasters.

[1] *Lombard Street*, pp. 30, 31.

A crisis was averted at the time of the Baring collapse in 1890, by the Bank of England and other great banks boldly standing in the breach, and taking over the assets and guaranteeing the liabilities. If in this case the usual course of liquidation had been followed, one result must have been a heavy fall in prices, and that not only in the securities directly affected, but in every class of investment. Finance is like a galvanic battery. A shock applied to any portion of the chain, however remote, is instantly felt throughout the entire circuit. Persons affected indirectly by the cataclysm of the Baring stoppage would have been forced to sell good securities at a low price, so as to meet losses upon others of a less solid character, and there would have been varying but universal depreciation, ending in "confusion worse confounded."

It will be seen, therefore, that the phrase, "Safe as the Bank of England," is of restricted application. A danger exists of a partial loss of capital in any investment, apart from the question of unsoundness of the security. Prices are constantly fluctuating, as is shown in Chapters xix. and xx., owing to the state of the Money Market. Though there are natural limits to the fluctuations, and they operate under general laws which only the few comprehend, the many who do not may lose by this incessant movement. Buying at a high price, and being compelled to sell at a low price, necessarily diminishes capital; but it is so common as to cease to awaken surprise.

Hence the term "Safe as the Bank," is true only in an accommodated sense and in a limited degree. It is the same in other things. There are risks in all securities. It is a truism to say that where no risk obtains there can be no interest accruing. Even "gilt-edged" stocks have possible danger attaching to them, either from the risk of diminished income or from falling off in the capital value. This is the case with all things mundane and human. Storms, earthquakes, floods, drought, pestilence, war, catastrophes, accidents, and other unforeseen events may occur at any time to destroy valuable property, to stop productiveness, and to spread ruin and desolation over a wide area.

Prudence suggests that, no matter how solid the security may be, or how trustworthy the income, a portion should always be set aside as a sinking fund to guard against danger from inevitable losses. Large speculators virtually do so by spreading their risks over a variety of investments, as Shakspere makes Antonio say—

> "My ventures are not in one bottom trusted,
> Nor to one place: nor is my whole estate
> Upon the fortune of this present year." [1]

[1] *Merchant of Venice*, i. 1.

As occasional realisations are unavoidable, there is always a risk of losing some nominal capital. Well-managed banks and other institutions adopt the precaution of having a reserve fund in solid and easily realisable securities, and writing off every year a part of the cost of purchase. It is not possible to avoid all risk, and those most concerned must make the best of it, even if they cannot, in a financial sense, carry out Lady Macbeth's advice, to "make assurance doubly sure."

CHAPTER VII.

JOINT STOCK AND LIMITED LIABILITY.

JOINT-STOCK enterprise is of ancient date. John Law's Mississippi Scheme in 1716, and the South Sea Bubble of 1720, are commonly regarded as its congeners, excepting a few earlier incorporated trading bodies, like the East India Company, the demand for the stock of which was greater than the supply. Macaulay has pointed out that in the interval between the Restoration of 1660 and the Revolution of 1688 wealth had rapidly increased. The difficulty of finding safe and profitable investments led to much hoarding of gold and silver. "The natural effect of this state of things was that a crowd of projectors, ingenious and absurd, honest and knavish, occupied themselves in devising new schemes for the employment of redundant capital. It was about the year 1688 that the word 'stock-jobber' was first heard in London. In the short space of four years a crowd of companies, every one of which confidently held out to subscribers the hope of immense gains, sprang into existence: the Insurance Company, the Paper Company, the Lutestring Company, the Pearl Fishery Company, the Glass Bottle Company, the Alum Company, the Blythe Coal Company, the Sword-blade Company.

"There was a Tapestry Company, which would soon furnish pretty hangings for all the parlours of the middle class, and for all the bedchambers of the higher. There was a Copper Company, which proposed to explore the mines of England, and held out a hope that they would prove not less valuable than those of Potosi. There was a Diving Company, which undertook to bring up precious effects from shipwrecked vessels, and which announced that it had laid in a stock of wonderful machines resembling complete suits of armour. There was a Greenland Fishing Company, which could not fail to drive the Dutch whalers and herring busses out of the Northern Ocean. There was a Tanning Company, which promised to furnish leather superior to the best that was brought from Turkey or Russia. There was a society which undertook the office of giving gentlemen a liberal education on low terms, and which assumed the sounding name of the Royal Academies Company.

"In a pompous advertisement it was announced that the directors had engaged the best masters in every branch of knowledge, and were about to issue twenty thousand tickets at twenty shillings each. There was to be a lottery. Two thousand prizes were to be drawn, and the fortunate holders of the prizes were to be taught, at the charge of the company, Latin, Greek, Hebrew, French, Spanish, conic sections, trigonometry, heraldry, japanning, fortification, book-keeping, and the art of playing the theorbo."[1] Jonathan's coffee-house and Garraway's were in a ferment with buyers and sellers, with brokers and agents. Time bargains came into fashion. Preposterous tales were circulated, so as to raise or depress share prices. Every day some new bubble was blown; only to burst the next day or the next week. The result, as might have been expected, was widespread disaster, and, to many, irretrievable ruin.

The South Sea Bubble of 1720 was accompanied by a mania just as absurd. Dean Swift satirized it in his sketch of Balnibarbi, a region in his fabled Island of Laputa, colonized by chimerical projectors and schemers. Hogarth made it the theme of one of his most pungent caricatures. Daniel Defoe's *Essay on Projects*, many of which, being practical, have since been carried into effect, was probably suggested by the outbreak of the speculative spirit. It was a time when characters flourished like those

[1] Macaulay's *History of England*, iv. 320.

embodied recently in Charles Mathews' favourite impersonation in *The Game of Speculation*, or in that of Jeremy Diddler in Kenny's farce of *Raising the Wind*.

The origin of the craze was a proposal made by the South Sea Company to purchase the irredeemable annuities granted in the two preceding reigns, and to amalgamate all the public funds into one stock, so as to become the sole public creditor. The Bank of England made a rival proposition, and the two great corporations continued to outbid each other until an offer was accepted on the part of the South Sea Company to provide a sum of seven millions and a half. In a few weeks the £100 shares of the South Sea Company sold for £1000. The directors opened supplementary subscriptions, all of which were eagerly taken up; and they asserted that a dividend of 50 per cent. would be realised. Some of the holders of stock sold out when the price was at the highest; thereby realising immense fortunes. During the short time that it lasted, the excess to which the general intoxication proceeded is almost incredible.

Anderson, in his *Deduction of Trade and Commerce*, published in 1762, has given a curious table of the crowd of new projects, and an interesting description of the general scene of competition and clamour among the dealers and purchasers of the various stocks. The East India Company £100 shares rose to £445; those of the Bank of England to £260; and the Royal African Company's £23 shares rose to £200. There was a vast number of what Anderson describes as "projects or bubbles, having neither charter nor Act of Parliament to authorize them: none of which were under one million, and some went as far as ten millions; very many whereof are distinctly remembered by the author of this work, how ridiculous and improbable soever they may now seem to many not acquainted with the infatuation of that year."

Among them are enumerated eleven fishing projects; four salt companies; ten insurance companies; four water companies; two for the remittance of money; two sugar companies; eleven for settlements in or trading to America; two building and thirteen land companies; six oil companies; four harbour and river companies; four for supplying London with coal, cattle, and hay, and for paving the streets; six hemp, flax, and linen companies; five for carrying on the manufacture of silks and cottons; fifteen mining companies; and a miscellaneous rabble, sixty in all, among which were projects for the building of hospitals for bastard children; for importing a number of large jackasses from Spain, in order to propagate a larger kind of mules in England; for trading in human hair; for the fattening of hogs; for a grand dispensary; for a wheel for perpetual motion; for furnishing funerals; for insuring and increasing children's fortunes; for trading in and improving commodities of this kingdom. The most absurd of these schemes seem not to have wanted dupes.

No one thought of inquiring if the projects were practical or not. One was announced, and its shares bought, which was merely advertized as "for an undertaking which shall in due time be revealed." Within two or three days after they were subscribed for, the shares in these different companies sold for amazing prices. "From morning till evening," says Anderson, "the dealers therein, as well as in South Sea stock, appeared in continual crowds all over Exchange Alley, so as to choke up the passage through it." The utmost that appears to have been paid even on those projects that "had one or more persons of known credit to midwife them into the alley" was ten shillings per cent.

About Midsummer it was calculated that the value of the stock of all the different companies and projects at the current prices exceeded five hundred millions sterling; probably five times as much as the current cash of all Europe, and more than twice the worth of the fee-simple of all the land in the kingdom. It is impossible to conjecture how much higher the prices of shares in the most absurd of these bubbles would have risen, if the mania had not received a sudden check and collapse. There was a painful awakening to the absurdity and danger of the mania. Within a month, South Sea stock fell from 850 to 175. By this time all faith in the possibility of its being kept up at a price above its original cost and real value was irretrievably gone. The bubble had burst; the delusion was over; the drunkenness had passed away, and only exhaustion, aching ruin, and repentance were left. But the hurricane which so greatly disturbed the air probably made it purer and healthier for a long time to come. The calamitous effects of the mania were individual and immediate, not general or permanent. The national credit was not impaired, nor was there an actual loss of property, but the ordinary course of business was for a time deranged, and the skilful piloting of Sir Robert Walpole was required to escape from the financial panic.

A report issued early in 1846 by the Board of Trade demonstrated a fertility of invention on the part of promoters of joint-stock companies which rivals that of any former period. Among the nondescript projects included in the return were a Biographical Dictionary Company; the Tehuantepec

Colonization and Canal Company; the New Protecting Society; the Norfolk Ramoneur Association; the Patent Cork-cutting Company; the Great British Advertising Company; the General Canal Steam Haulage Company; the Patriot Association; the Miniature World, or Grand National Association for the Profitable Employment of Capital, Skill, and Labour in Trade, Commerce, and Agriculture; with companies for concentrated tea, patent fuel, baths, spinning, mining, drainage, discount, insurance, glue, sugar, glass, timber, cotton, water, sewage, gas, cemeteries, hops, newspapers. The recital could be extended by a reference to the manias and projects of more recent years.

Under the old joint-stock law every shareholder was liable to his uttermost farthing for the debts of a company, even though he had no direct control over and no acquaintance with its business affairs. He could seek relief only by the costly process of an action against his fellow-shareholders. Instances have occurred, like the City of Glasgow Bank, where shareholders have seen their all swept away to meet gigantic claims, or they had to take refuge in bankruptcy. To prevent the recurrence of such a catastrophe, the Limited Liability Act was introduced in 1855 by Mr. Robert Lowe, afterwards Viscount Sherbrooke. It was an adaptation of a French plan, which had also been carried out in the

United States. It provided that each shareholder should be responsible for no more than the nominal value of the shares allotted to him. For the protection of the public in doing work or in supplying goods, the word "Limited" has to be appended to the name of the company, and to appear on all documents. Various Amending and Consolidating Acts have since been passed, but there is still a keen struggle between the law, on the one side, and promoters on the other.

Shares in Limited Companies are usually divided into Ordinary, Guaranteed, Preference, and Deferred. To the first are accorded, *pro rata*, such profits as may be made. The second and the third agree to accept a smaller but fixed dividend, while the fourth usually receive a moiety of the remaining profits after the others' claims are met. Companies also usually take powers to borrow money on mortgage by the issue of Debentures, constituting a prior charge on the assets. All these kinds of holdings are negotiable, with more or less facility, on the Stock Exchange. The price secured represents the market value of the property, which necessarily fluctuates. The large joint-stock banks have availed themselves of a recent provision whereby the liability of their shareholders is restricted to twice the amount of the capital for which they have subscribed. If, therefore, the nominal holding is £1000, of which only £300 is called up, the remaining liability is for £700, and for £1000 more should the Bank go into liquidation. Liability for notes is unlimited.

With a kind of periodicity an epidemic of company-promoting breaks out. Transient or apparent success induces a crowd of imitators. During the last decade or two there have been several hot mining fits, located in England or Wales, in the United States, in India, in Australia, and in Africa. Electricity, shipping, co-operative stores, hotels, asphalt, tramways, skating-rinks, coffee-palaces, foreign loans and mines, Continental mineral springs, entertainments, tea plantations, nitrates, and trusts of all descriptions have had their little day, usually followed by a long and dark night for those who were so verdant as to find the money. Then there is an indignant outbreak, which ought rather to be directed to their own folly and credulity.

If there were no dupes, knaves could not thrive. Demands are heard for condign punishment. Legislation is forced through in a hurry. Officialism displays spasmodic energy. A great parade is made of inquiries and examinations, and much talk is heard of prosecutions ; which usually end in smoke. After a brief lull, the company epidemic breaks out in some new form ; to be followed by the old and miserable round of blind acceptance, foolish trust, and untold disaster. Bacon says, "There is in human nature generally more of the fool than of the wise, and therefore those faculties by which the foolish part of men's minds is taken are most potent." This remark anticipates Carlyle's severe and cynical dictum, in *Latter-Day Pamphlets*, "The population of Britain consists of twenty-seven millions of people—mostly fools."

Probably no Statute can be framed for the protection of fools who are tempted, like gudgeons, by an alluring bait. There is no Act of Parliament through which legal ingenuity will not contrive, as Daniel O'Connell said, to drive a coach and four. The 38th section of the Companies Act, 1867, was thought to be a sure remedy against secret and fictitious contracts; but it is openly violated every day by a clause in most prospectuses requiring applicants to waive it. "More is meant than meets the ear." One company is formed to take over another, or to produce a brood of subsidiary companies, as "flat, stale, and unprofitable" as itself. This was notoriously the case with "Father Brush" and a swarm of electric companies, and with the Date Coffee swindle of a few years since. The Founders'-Share dodge is nearly played out, happily for investors. But human credulity is still largely appealed to, with success, by a long parade of Press Notices, of the authenticity of which there is no proof, and which in many cases are supplied to a certain class of unscrupulous black-mail newspapers as one of the conditions for a large and costly advertisement.

Many persons are frightened by the idea of speculation because others have been overwhelmed by disaster through carelessly placing money in things they knew nothing about. Yet it is possible, as was pointed out in the fourth Chapter, while censuring speculation, to engage in it in ignorance; for many an investment, especially in the shoal of new companies, is beset with risk and uncertainty. These ventures are proverbially short-lived. Since the Limited Liability Act was first passed, no fewer than 39,911 companies were registered, but nearly three-fifths—21,550 out of the whole—are believed to be extinct, and only one-fifth are more than ten years old.

No fewer than 3540 companies were registered during 1895, with a nominal capital of £197,866,065; being more than twice as much as in 1893. The nominal capital of mining companies, the largest in the group, was £87,192,848; followed by financial and banks with £24,359,217. Next came manufacturing, £19,627; and land and agriculture, £10,636,329. Breweries stood for £7,087,200; railways, £5,727,900; shipping, £3,347,726; and cycling, £3,238,000. The last-named is a curious illustration of the way in which fashion reacts upon commerce and investments. In the United Kingdom, of the 18,361 companies actually existing the capital is £1,035,029,835, which exceeds by £315,000,000 the amount invested in French and German companies.

Thus during forty years there has grown up the present vast system of joint-stock enterprise in association with the principle of limited liability. One great object has been realised to an extent far beyond all expectation, viz., to call into the direct service of industry and of all orders of production and commercial enterprise whatever available money resources were possessed by the community. These resources, without such an easy and effective outlet, safeguarded by limited liability, might have continued to be hoarded, unproductively consumed, or merely put out at interest. Under the company system, with limited liability, the amount of capital embarked in various operations and enterprises is enormous, and, notwithstanding defects and abuses, it demonstrates the value of the machinery which has called forth such a capital for the expansion of productive industry and of profitable trade. Having regard to the resources, the energy, and the enterprise comprised within the system, it may be justly described as colossal, and it occupies a place of constantly increasing importance in the industrial and commercial life of England and of other nations. Gigantic manufacturing and trading concerns, when properly managed, can undertake business to an extent which no private firm dare attempt, and with highly satisfactory results to the shareholders.

On the other hand, many an enterprise which has been successful when conducted by one or two persons, has signally failed as a limited company for lack of competent supervision and personal responsibility. In other cases the loading has been excessive and crushing, and promoters and intermediaries have created a fictitious capital on which it was impossible to pay a dividend. It not infrequently happens, also, that companies are floated merely for purposes of allotment, so as to secure for vendors and promoters as much ready cash as possible, and then the duped shareholders are left to face a winding-up order. Investors should be cautious about embarking in such ventures, because in round numbers, fourteen shillings out of every twenty actually subscribed are irrecoverably lost. Yet most of the applicants for shares would be astonished, and probably indignant, if told that they were speculators or gamblers ; because they are deluded by rose-coloured and specious prospectuses, and entrust their money, with all the simplicity of a Parson Adams, to men of whom they know absolutely nothing, and for objects in the prosecution of which they have virtually no control whatever.

The outside public, forming the major part of the investors in new companies, are made to pay through the nose by promoters and their associates. The market is rigged with vendors' shares, always a glut as to number, and never worth anything like the face value which they bear. To force these off at par is a supreme object, and it is aided by the foolish eagerness of many to get in at the outset for what they have been told by interested parties is a good thing. Ere long, and perhaps within a week, they wake up to the unpleasant discovery that any number of the shares may be had at a discount. If they had waited, instead of swallowing the first alluring bait, they might have obtained ten or twelve shares for the price of nine.

The application of this caution is especially needed in the case of the numerous trading and manufacturing companies formed during recent years. Allsopp's is a notable instance. A comparison of the price of similar ventures already on the market should furnish a clue to the actual value of the dazzling schemes that appeal every week to the investing public. The old saying, "Fools build houses, but wise men buy them," is true of most of the commercial enterprises that have been launched as limited companies. The wise speculator reads between the lines of a glowing prospectus. He compares and judges as to the chances, by reference to similar undertakings. By waiting a short time, and watching his opportunity, he obtains such a holding as he desires, at a price that enables him to realise a fair profit when he sells again; as he will assuredly wish to do ere long.

It is not intended by the above criticism to depreciate mercantile limited companies, or to suggest that all new ventures are to be avoided as undesirable or dangerous. But it is well to allow the first flutter of excitement to pass, and to wait until the business is fairly on its feet under the new arrangements. The commercial value can better be judged from actual trading than from promoters' and accountants' estimates. Many original holders of the shares are sure to wish to dispose of them, at prices that are worth considering. Anyway, it is a safe rule that a new company without a history furnishes no means for determining the actual value of its shares, which should therefore be avoided until some accurate and reliable *data* are known. Their original price is fixed by vendors and promoters, "snappers-up of unconsidered trifles," as well as of lump sums, whose interest it is to obtain just as much as credulous and confiding members of the public can be induced to pay.

A wise man, therefore, will not apply for such shares prior to allotment, unless he has good reason to believe that they will at once go to a premium. By this is meant a genuine premium, not a bogus one got up for selling purposes, and unattainable by an outsider. As a rule, it is safer to wait until there is an actual market when the real price is known. It will probably be from two to ten or more points under the price of emission. Then, if the business is sound and progressing, the discount may tempt an investor to purchase for a brief holding. Should they return to par, or rise to a premium that may be really secured, the purchaser will know that value has been obtained for his money. It is a safe maxim not to join any company without being prepared to pay up the whole of the liability, and to lose it, if the emergency arises. Far greater caution would then be exercised; and less would be heard of disasters caused by misplaced confidence in tricksters and their newspaper touts. There are not a few feeble prints, hanging on to the outer skirts of the noble profession of journalism, the sole reason of whose fitful existence is to extort money, as the price of silence, or of turgid puffs and sickening laudation.

SECTION II.

The Methods.

"The money shall be paid back again with advantage."

1 *Henry IV.*, ii. 4.

"I will go and purse the ducats straight."

Merchant of Venice, i. 3.

CHAPTER VIII.

THE OLD AND THE NEW.

FOR nearly five centuries the Protective Spirit was rampant in every department of life ; in commerce and in industry, as well as in politics. The prevalent notion was that men and women were but children of a larger growth, who needed to be inspected, coerced, restrained, controlled, and legislated for in everything that related to their private and public life. Such paternal government, however appropriate to Oriental despotism, is unsuited to a free people. The hoary heresy is not yet extinct, even in England. Indeed, there is a disposition and a resolute effort to revive and extend it. The Circumlocution Office is not peculiar to any one period or country ; and the Tite Barnacle class is prolific.

In the Middle Ages this spirit ran to excess of riot ; producing untold and incalculable mischief in every department of human life. Individualism was nothing. Personal enterprise was discouraged or repressed. The Reign of Law became an intrusive espionage and a grinding tyranny. People were peremptorily ordered what to eat, drink, do, and avoid. Their business, their dress, and their recreations were prescribed. No divergence was allowed from the regulation patterns. If these were infringed, condign punishment was inflicted. There were minor fines and imprisonments for what were adjudged to be slight offences ; while the more aggravated were visited with longer incarceration, heavier mulcts, severe whippings, mutilation, banishment, or death.

Arbitrary ordinances and proclamations regulated manufactures, agriculture, industry, and locomotion. Markets were not allowed to be held without a Charter, or to be opened for the day until the purveyors for the king and for the great lords had helped themselves to such commodities as they desired, and at prices which they chose to fix ; irrespective of the wishes and necessities of the vendors and of the natural law of Supply and Demand. Dealings were permitted only with certain persons ; or in restricted places ; or within defined hours ; or under artificial regulations. Numberless petty checks were imposed upon industry and upon the course of trade. In some cases fairs were prolonged for several weeks, and attracted multitudes of people. Commodities of all sorts could thus be procured for domestic use, and for personal luxury and adornment, at a time when village shops were unknown ; besides horses, cattle, corn, and provisions of every kind.

Charters were purchased from the monarch or from some great lord for leave to hold these markets and fairs at certain times ; no fewer than five thousand local centres of trade being thus created between the years 1200 and 1482. During the time allotted to the fairs it was not infrequent to forbid all trade in the surrounding districts. Such vexatious interference with the liberty of the subject was not unusual. Commerce was made to wear swaddling bands, in order that royal needs might be gratified ; or that royal favourites might enjoy lucrative monopolies. These Court harpies were also permitted to tamper with the coinage. Constant complaints were heard of its debasement ; leading to untold loss and misery.

Attempts were made to fix a lawful rate of interest for money, and repeated enactments were framed against usury, with heavy penalties. All was in vain. Men who required the temporary use of money could not be prevented from paying as the state of the market determined ; and those who had money to lend naturally made the best bargains which circumstances permitted. Repeated references appear in the early Statutes to forestalling and regrating. The former practice was the intercepting of goods and provisions on their way to the open market. The latter was selling them a second time in the same market; in other words, wholesale dealing and re-sales. This was forbidden, under stringent penalties; but it was not prevented.

Ingenious and elaborate regulations were devised to ensure that food, clothing, and other necessaries of life should be cheap and good; but the rules were inoperative in actual working, in so far as they interfered with the freedom of trade. Even the laudable object of guarding against local dearth, owing to the difficult, tedious, and costly means of transit, was constantly defeated by the prevalent spirit of monopoly, with law on its side. The practices complained of could not be suppressed by enactments. All the Sumptuary Laws, and similar legislative leading-strings invented by ancestral meddlesomeness, signally failed to achieve their absurd and impossible ends. They stand on the Statute Book as melancholy monuments of imbecility.[1] The history of progress, in matters of trade and industry, as well as in those of opinion, is a continuous struggle against the Protective Spirit. The struggle has yet to be waged to its final victory;

[1] Aubrey's *Rise and Growth of the English Nation*, vol. ii. pp. 372–6.

notwithstanding the great results that have been achieved. Ignorance, folly, selfishness, and official meddling are perpetually trying to put back the clock.

Human nature does not choose to dress, and eat, and work, and buy and sell, and invest in the manner that legislators and administrators choose to dictate, on their ancient and favourite theory that grown men and women can be kept in leading-strings as long as they live, and can be made to perform all the functions of daily life, and to transact all its business after approved official patterns. Modern bureaucracy and State Socialism, in their attempts to revive and enforce it, will only be covered with confusion. Social economists, pretentious professors, fussy philanthropists, amateur legislators, and the official circles are perpetually endeavouring to break down and thrust aside individual responsibility, and to substitute the interference and control of that undefined entity called the Government. They would like to have everything regulated by an unbending official standard, from the cradle to the grave, in business and in pleasure, in education and literature, in war and industry, in law and medicine.

During recent years the State—a word that deludes and imposes upon many people, for it is only a synonym for public servants—has taken charge of a variety of business and social matters, involving the creation of numerous departments and the outlay of a growing expenditure. The cost of the Civil Service has doubled in ten years. It now amounts to nearly twenty millions, and is constantly increasing. The number of persons employed in the various departments, including the Post Office, with soldiers and sailors, paupers, and the great army of pensioners, and those engaged as local officials and in Board and National Schools, represent three out of eleven of the population, all of whom have to be supported by the other eight out of the rates and taxes.

The mercantile marine, railways, tramways, gas companies, limited liability, patents, trade-marks, bankruptcy, harbours, fisheries, river pollution, education, prisons, the police, factories, chemical works, mines, emigration, agriculture, electric lighting, trade and labour statistics, the poor, the imbecile, lunatics, vaccination, science and art, sanitation, meteorology, charities, *et hoc genus omne*, are dealt with, more or less wisely, by an army of clerks. Checks, supervision, adjustments, balances, and control without end are exercised. A gigantic official spider's web has been spun, and the slightest touch upon a remote filament is instantly transmitted to Whitehall, for the approval or censure of unknown persons who write peremptorily in the name of "My Lords."

The three departments which manifest the strongest tendency to interfere and meddle, and which are perpetually arrogating fresh powers, are the Local Government Board, the Education Department, and the Board of Trade. As Boards, they never meet, and it is said they never have met; but they have as many eyes as Argus and as many hands as Briareus. All of them assume the right to give their own construction to Acts of Parliament, and to lay down rules and administrative orders, which in reality amount to legislative functions. It has been the pernicious and dangerous custom of late years to insert, at official instigation, clauses in various Statutes, by which the interpretation and rules of procedure are left to the central authorities; in other words, to the permanent clerks. The Local Government Board, with similar Boards for Ireland and Scotland, at an expense for central administration of nearly half a million annually, inspects, circumscribes, controls, audits, counsels, checks, and scolds local authoritities, who are made to occupy a rigid Procrustean bed, and who are encouraged and incited to profligate outlay upon palatial workhouses, infirmaries, and district schools, built, fitted, and managed after approved official patterns (see pp. 209–211, 243–249)

A Board of Trade and Plantation was organized in 1695; being a revival of what had fitfully existed since 1660. After various mutations during ninety years, it was constituted as a permanent Committee of the Privy Council. It still exists, with greatly extended and somewhat anomalous powers, relating to commerce, bankruptcy, railways, fisheries, harbours, the mercantile marine, and other matters. The *ex officio* members of the Board never assemble, and the department is an absolute bureaucracy, on the most rigid French or German type. The procedure, at an annual cost of nearly half a million, has important bearings on investors and on men of business; especially with regard to the vast capital embarked in railways, shipping, and trade. If the rigid and pedantic rules of the Board of Trade conflict with individual or local interests in matters of commerce, the latter have to yield. If some fussy and consequential inspector does not choose to pass a certain work, because it is not done in his particular way, there is virtually no appeal. All these are matters which deeply concern investors, for their money cannot be made to yield its proper return with such incessant and costly official interference.

It is the same with the interminable delay and the ruinous costs in bankruptcy proceedings, which are under the control of this quasi-Board. Who appoints the Official Receivers? To whom are they responsible? What rules exist for their guidance? Are they amenable to public opinion, or are they a law to themselves? Such questions are being generally asked, but no one seems able to supply satisfactory answers. Meanwhile, the community suffers from the bankruptcy system which the wisdom, or the folly, of the Legislature has devised. Months, and even years, are taken to realise and wind up estates. The rule appears to be that so long as any assets exist they shall be liquidated in the form of expenses. Scarcely a week passes without some case being recorded of one-half, two-thirds, three-fourths, or even the whole of the assets being absorbed in legal and clerical charges. The oyster goes into the official maw, and the unhappy creditors get little more than the shell.

Practically, they cease to have any control over their own property as soon as the Official Receivers take possession. If there is a Committee of Inspection it seldom meets; and when it does meet its chief function is to register official edicts. The country is apportioned among a little battalion of Receivers, who virtually do as they choose. They alone set in motion the cumbrous, creaking, and costly machinery of the courts. They engage accountants, auctioneers, solicitors, and counsel; sell the assets when and how they like; instruct printers and issue advertisements. All this, of course, means much patronage, and there appears to be no adequate check. The creditors have to pay the piper, and yet they are not allowed to call the tune. In a recent case at Torquay the net assets were £327, and the cost of realising was £321. After an allowance of £5 to the debtor there remained the magnificent sum of 19s. 10d. to be divided among the creditors. As usual, law costs formed the chief item of expense, amounting to £246.

According to the last report of the Inspector-General in Bankruptcy, for the year that ended December 31, 1895, but issued only in July, 1896, 4396 receiving orders were made. The liabilities were £6,518,192, and the assets £2,044,013. Many of these estates were not realised at the date of the report. The actual number wound up during the year, including those brought over from 1894, was 3803, of which 449 yielded no assets beyond the expenses of the Board of Trade. Forty-five per cent. produced only £25 or less, and 16 per cent. between £25 and £50. In only 167 cases, or 4·3 per cent. of the whole, did the assets bring more than £300. Of the gross assets more than one-third went in costs and expenses. How these are aggregated will appear from the following particulars, which do not include the department for the winding-up of companies (see p. 244):

	£
Salaries of officers (exclusive of judges)	109,349
Extra remuneration to County Court Registrars	24,074
Postage and incidentals	9,252
Rent, rates, and taxes	8,405
Stationery	8,909
Pensions and compensations	2,602
Prosecutions, and cost of audit	247
Total	£162,838

This enormous sum comes out of the pockets of creditors. The report laments a falling off in procedure, and an increase in the number of deeds of arrangement. These were 3462 during the year, with liabilities for £4,879,021, and assets £2,542,002. It is not surprising that creditors prefer the greater expedition and cheapness of this system, which, moreover, leaves the control of affairs in their own hands. The bankruptcy officials do not like it, and throw every possible obstacle in the way. Naturally they prefer that all the grist should be brought to their mill to be ground. It is nothing to them that the creditors have to be content with the husks. By a marvellous piece of financial jugglery the officials try to make it appear that private arrangements, although notoriously more economical, actually cost more. Figures can be made to prove anything, according as they are manipulated; and this report, like its predecessors, furnishes curious illustrations of how statistics can be twisted so as to make "the worse appear the better reason." But if creditors are wise they will continue to keep a tight hold upon their affairs, instead of letting them drift into the maëlstrom of Whitehall officialism.

Commerce is mainly carried on as a matter of speculation. Crops are raised, raw materials are collected, manufactures are produced, and sales and purchases are carried on, in the expectation and on the chance of profits accruing. But there must always be a certain amount of venturesomeness and possible risks, or mercantile enterprise would cease, and then trade, industry, and the Money Market would be deranged. To prevent such a calamity English practical common sense sweeps aside the fantastic subtleties and pettifogging devices in which the professional, legal, and official mind delights. The manufacturer, the merchant, the shipper, the tradesman, and all who are engaged in any kind of business, act upon this principle. Without a certain degree of enterprise, which some call risk, nothing can be done beyond the slow, humdrum, sleepy mode of former generations, or of an Oriental bazaar, where hours are wasted in bargaining and chaffering.

Different branches of commerce have their Exchanges, or places in which dealers meet to transact business. The Royal Exchange in London was founded by Sir Thomas Gresham, in the time of Queen Elizabeth, on the model of the Continental Bourses. Merchants assemble to dispose of various commodities in bulk; and ship-owners, financiers, and agents of all kinds meet them. Coal, corn, wool, metals, and different sorts of produce or of manufactured goods have their respective centres and marts; regulated by settled rules and customs, to which usage has given the force of law. Stocks and shares are bought and sold under like conditions, in a place devoted exclusively to such matters. The presence of a stranger is regarded as an intrusion in England, to be resented by rough horseplay; but in America there is a visitors' gallery, whence the busy, excited, clamorous scene can be surveyed.

Stock Exchange transactions date back more than two hundred years. As a matter of convenience, buyers and sellers of stocks and shares met for business at first in the parlour of the Bank of England, and then in Change Alley and in the Royal Exchange, as an open market, to which all had access. In 1801 the stone of a permanent Exchange was laid. Recently, after repeated enlargements, the present commodious structure was built. The members, some 3600 in number, are tenants of the shareholders, are elected by ballot, pay an entrance fee of £525 and an annual subscription of thirty guineas, and elect a Committee for General Purposes, whose decision on all internal matters is final. About 2600 clerks are admitted on special terms. Stringent regulations are framed, and those members who cannot meet their engagements on settling-day are "hammered" in the midst of the day's business, and proclaimed as defaulters.

The members, who form a private club, or close corporation, as rigid as any trade union, make it their business to buy and sell securities, either on their own account or on commission. The House is divided into markets for various kinds of business. The leading provincial Exchanges are those of Liverpool, Manchester, Leeds, Birmingham, Sheffield, Edinburgh, Glasgow, and Dublin. On the Continent special regulations are framed by Government, which do not concern these pages. The procedure of the Stock Exchange has formed the subject of numerous litigations and judicial proceedings, treated at large by Melsheimer and Gardner in *The Law and Custom of the Stock Exchange*, and in Royle's *Laws Relating to English and Foreign Funds*.

With the rapid expansion of business, and with the growth of the accommodation, numbers of persons have been tempted into the ranks of stockbrokers and stockjobbers, in the hope of quickly realising a fortune amidst the noisy and excited scenes. Stories, freely circulated and credulously accepted, of lucky individuals making fabulous sums before noon on a given day, have lost nothing in the process of narration, as they served to arouse admiring envy, and promised a short and easy cut to riches. The widening area of securities, the growth of companies, the increase in operators, the enlarged speculative spirit, and the accumulating wealth of the community of late years, have opened up new methods and have provided greater facilities for dealing.

It is no longer possible to keep the Stock Exchange as a close preserve for the exclusive transaction of business. Just as physicians and surgeons object to any outside their professional monopoly being allowed to drug and kill patients, and just as lawyers rigorously maintain their traditions against all intrusion of what they call "the lay mind," so the members of the Stock Exchange resent and forbid, as far as they can, any operations by persons who are not in "the House." Outside brokers are their special aversion; and *The Times* and other papers frequently contain a solemn notification that no member of the Stock Exchange is allowed to advertise.

Whatever may be thought of the rule, the question arises, and will have to be met, why the public should be expected to conduct financial business in a particular way and only through one set of men? Do the public exist for their special benefit, or should not the advantage of the individual or of a limited class be subordinated to the good of the whole community? It may be conceded that some of the outside brokers, who tout so energetically for business, are shady and discreditable. The public should be warned against them, though for other reasons than the selfish ones that influence the monopolists who denounce them, and who try in vain to put them down.

Names need not be mentioned, for they are notorious and flagrant; but as a general rule it may be said that any mushroom firm strongly recommending a particular investment by means of catchpenny advertisements promising impossible gains in next to no time, should be avoided like the pestilence. Now and then a man has the courage to fight one of these sharks, though the glorious uncertainty of the law always renders the ultimate issue problematical, excepting in the one item of enormous legal expenses. These firms, however, usually have a short life, but by no means a merry one—for their customers. There are good and bad, both within and outside the portals of the Stock Exchange, and no reason exists why a really sound business should not be conducted beyond the charmed circle.

CHAPTER IX.

BROKERS AND JOBBERS.

MEMBERS of the Stock Exchange are known as jobbers and brokers. The former are merchants. The latter are agents, who act for the outside public; buying and selling shares on commission. Their practice is to resort to a jobber, or merchant, who keeps a supply of stocks, usually of a specific class, and who is ready to buy or sell, as the case may be. He quotes two prices; the one price being that at which he is willing to purchase, and the other that for which he will supply. But he does not know whether the broker is an intending buyer or seller. Whichever he elects to be, the jobber must deal with him at the quoted price. He makes his own profit on the "turn," or difference between the two, and he determines the price, in competition with other jobbers, by the supply or demand at the moment. Having made a price, he is bound to deal, if required, though in the less negotiable kinds of stock he will probably decline to make a price.

When prices are quoted, as Consols, $105\frac{1}{8}$–$105\frac{1}{2}$, the meaning is that an intending purchaser would have to give £105 10s. for every £100 of stock, while a seller would receive only £105 2s. 6d. This is the "turn of the market," which forms the jobber's profit. In addition, the broker's commission must be met, if the bargain is made through him. A jobber does not, or should not, charge commission, for that would be making a second profit, in addition to the one which he makes out of the difference between purchasing and selling prices. The rules of the Stock Exchange permit commission to be charged on the actual value, but brokers seldom exercise this right, because, over a large number of transactions, a natural adjustment takes place between stocks above and below the nominal value.

An outsider wishing to deal receives from his broker a written contract setting forth the name of the stocks or shares and particulars of the bargain. In addition, he pays the commission, the rate of which exhibits a gradual tendency to rise. In theory, the broker is required to set forth on the contract the name of the jobber with whom he has carried out the transaction, but this is not always done. Perhaps it is not too much to say that it is very often omitted. Thus the object is defeated of enabling customers to verify the accuracy, if they choose, by reference to the jobber. If the broker refuses to give the information, he can be held responsible for any loss on the transaction, or it may be cancelled. His client has the right to go to a jobber, when named, and ask to see his book, in order to verify the figures. Probably this is not done once out of a thousand cases.

The contract-note specifies the day on which the settlement is to take place. This usually comes once a fortnight, as regulated by the Committee of the Stock Exchange. If all transactions were for cash, and for actual delivery, the process would be simple; but, as already stated, nine-tenths are for a rise or a fall. Arrangements are generally made for "carrying over" on agreed terms; in other words, for deferring until the next settlement the completion of the sale or the purchase. This process is carried on again and again, and may be done indefinitely. The postponement is regulated by the medium price—*i.e.*, the one between the buying and selling price ruling at noon on the day for carrying over. In addition to the broker's commission for buying and selling, he charges for carrying over, or the "contango." Whether any ultimate profit is realised by the operator depends upon the final selling price and the length of the deferred procedure. Anyway the broker stands to gain, as is shown in the next Chapter.

CHAPTER X.

EIGHT MILLIONS WASTED YEARLY.

THE vast business of the Stock Exchange is conducted under conditions and circumstances that are perpetually fluctuating. Therefore the greatest accuracy is needed in making contracts and in keeping the accounts. The details of each transaction are carefully set forth in the contract, which every one should insist on receiving, as it forms the basis of the negotiation, and is the only standard for determining the accounts. A jobber's contract always bears upon its face that certain stock was sold to the purchaser.

The contract with a broker, on the other hand, always sets forth that the stock was bought by order of and for account of the client. It is essential to remember that a broker is not responsible for the proper fulfilment of the contract. If the jobber fails with whom he has dealt, any money is lost that a client may have advanced. The only responsibility attaching to the broker is in a case where he has omitted to give the name of the jobber.

On settling-day a statement is delivered, in which the operator is debited with the cost price of the stocks, and with commissions, and also with any Contangoes, if the stocks have been carried over. He is credited with the amount realised, less commissions on the sales, which commissions may vary from $\frac{1}{8}$ to $\frac{1}{2}$ per cent., with a charge of from 6d. to 1s. per share on American railways, and from 1½d. to 2s. 6d. on mines, according to value. If he chooses to exact the full amount allowed by the rules of the Stock Exchange, he can do so. By dealing with a jobber direct, the whole of the profits are secured to the customer. The Contango charges vary in amount; and on certain kinds of securities they are very high.

It will be seen that brokers are middlemen. Like other intermediaries they enhance prices without increasing actual values. The great and just complaint in all business is that the prime cost of the producer and the manufacturer, with their legitimate profits, are doubled or quadrupled by middlemen before reaching the consumer, who has to bear the whole burden, just as the taxation of all commodities ultimately falls on him. Why should not the public deal direct with the jobber or merchant, who

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is prepared to buy whether he requires the particular stock or not; and is equally prepared to sell, although he may not possess the stock at the time, knowing that he can procure it before the day arranged for settlement? The only answer to the question is that such is the pleasure of the ruling powers in the Stock Exchange; just as an unwritten but inexorable law forbids a client consulting with a barrister excepting through the costly medium of a solicitor. In the United States no such anomaly and absurdity exist, but the two orders are absorbed in one and the same person.

Some idea of the extent and costliness of brokers' charges, all of which the investing public have to bear, may be gathered from the fact that the brokers on the London Exchange, and the large number in provincial Exchanges, are said, on a moderate computation, to derive £8,000,000 per annum from their transactions as agents. Without impugning the honour of a great body of men, it is obvious that under existing methods a broker can, if so disposed, sell or buy stock for his clients and charge them with the lowest or the highest prices of the day, retaining for himself the difference at which the transaction was actually carried out. The broker is a needless but costly luxury. He does not add one iota to the intrinsic worth of the commodities in which he deals. The services rendered, such as they are, could as easily and more advantageously be performed by the investor in direct dealings with a jobber.

It may be asked, What would become of the thousands of brokers if the plan of direct dealing with jobbers came into vogue? The obvious reply is that they would have to find some other direction for their talents and energies. It is sometimes said that thirty-nine millions of people do not exist for the benefit of forty-two thousand lawyers; although the latter seem to think otherwise. A similar remark may be made of brokers, without implying any disrespect for individuals. It may be objected that the fees are small, and only infinitesimal compared with the magnitude of the sums dealt in. But they speedily mount up in a series of transactions, and absorb an appreciable portion of the profits. It is not surprising that the Stock Exchange has been likened to a barn where the fowls repair daily to pick up golden grain freely flung in by the public.

Modern science teaches the conservation of energy and the utilization of waste products. The glycerine industry, which has attained to large proportions, is based upon what was a waste product of the soap-boiler, as aniline dyes and artificial madder are obtained from the refuse of coal-tar;

once the abomination and nuisance of gasworks. Old boots and shoes, and leather waste generally, are turned to good account by the chemical manufacturer in producing the cyanides that have become essential in photography and in colour-printing. Not a scrap of the carcases of slaughtered animals is now allowed to be thrown away. Even the waste blood of the abattoir is utilized by sugar-refiners and in the manufacture of albumen. Sawdust, mixed with agglutinative substances, and powerfully compressed in heated dies, is formed into hardware, furniture trimmings, buttons, and other decorative and useful articles. The spent tan-bark of tanneries becomes fuel for steam boilers. Oyster-shells are burned to lime, and the waste heat of lime-kilns is made to generate steam. The waste of linseed oil factories is valued as food for cattle.

The slag of iron furnaces, that from time immemorial formed unsightly and troublesome mounds, is now cast into building blocks, or granulated to make sand for mortar, or mixed with suitable chemicals and made into the commoner grades of glass, or blown by steam jets into fine filaments to make a covering for boilers and steam-pipes. The record might be extended, showing how modern science, with the most beneficent results to mankind and to the inappreciable advantage of industry and commerce, is steadily teaching the world to utilize the waste substances of Nature and the arts, enabling men to reap great advantages where none were supposed to exist, or where the refuse was regarded with aversion as a nuisance. A similar tendency is shown to economise labour in every department of life, and, wherever possible, to substitute mechanical and automatic contrivances. In the same way, the middleman is becoming less necessary by closer relationships being established between producers and consumers, and between those who have anything to dispose of and those who are wishful to purchase.

The sure way of conducting stock-dealing accounts economically, and with the greatest chance of profit, is to deal directly with a responsible firm of jobbers, and thus avoid the numerous charges made by the brokers, or middlemen. Care must be exercised in the selection, and the standing and character of the firm should be above all suspicion or reproach. The fullest confidence ought to prevail on both sides. Stock-jobbers must be satisfied of their customers' ability to meet engagements, which may sometimes amount to large sums, and also that they will honourably carry out mutual transactions and treat their agents with confidence. Customers, on their part, should take the utmost pains to be convinced of the stability and rectitude of the jobber to whom such important matters are entrusted, and that orders will be diligently executed and promptly settled. Time is an essence of the contract.

Ample and satisfactory proofs of all such points should be required and given on both sides, in order to ensure harmonious working. The stock-jobber will furnish bankers' and solicitors' references, to show that he is not a mere adventurer and man of straw, unless his long-standing and well-known business are deemed an adequate guarantee. The client will not scruple to supply information whereby his own character and standing may be tested, if needful. All this is a mere detail, and corresponds to the credit received and given in the mercantile world, after due inquiry.

Whether the dealer selected, after such cautious inquiry, be an individual, or a private partnership, or a registered company, there should be on their part a thorough knowledge of all the ramifications of a most intricate business; observance of all instructions received; the capacity to give sound advice; a business record that is unimpeachable; and sterling integrity and promptness in every financial transaction. Moreover, there should be frankness in giving needful particulars and in satisfying legitimate inquirers. Doubt comes in at the window when Inquiry is denied at the door.

CHAPTER XI.

AN IDEAL STOCK EXCHANGE.

AS between individuals and a company, always assuming the latter to be stable and of high repute, there are manifest advantages in its favour. It is continuous; is never absent or ill; and never requires a long holiday. Some competent and responsible persons are ever on hand to conduct the business. The range is sure to be large and varied. The records will be minute and accurately kept. Details of the daily business will be entrusted to heads of departments, while the supreme manager exercises effective control and sees that every part of the complex machinery runs smoothly and performs its assigned duties. A large subscribed capital and an adequate reserve fund would form a guarantee of financial soundness. The business should be controlled by men of great experience, astuteness, and probity; and the terms should be such as to attract and retain the confidence of the best classes of investors.

It is especially desirable that the treatment of customers should be both equitable and liberal; the charges for business done strictly fair; the statements of accounts clear and rendered to the day; and a fixed and reasonable charge made, instead of uncertain and perpetually recurring commissions and Contangoes. Such a company should act simply as jobbers or merchants, while really performing also the functions of brokers, without the name, and free of the expense. There would be no uncertainty and no disputes as to whether the market rates for buying or selling had been obtained. The tape prices determine such points, for they record the hour and even the minute of transactions on the market.

A great advantage would be furnished by the offices being in a central and commanding position, in direct telegraphic communication with every part of the country, and connected by telephone with operators on the Stock Exchange. There must, of necessity, be an enormous correspondence, carried on by a large trained staff, satisfactorily disposing of every question raised in the morning's letters, and reaching all inquirers, however remote, by return of post. But hours and minutes are precious in such a business, and there must necessarily be a constant stream of questions, orders, and replies passing over the wires, which ought, therefore, to be conducted into the office.

Above all, not a scintilla of doubt should exist as to the ability and readiness of such a company to meet its engagements the moment they arise. Delay, hesitation, quibbling, and excuses would be fatal. There ought to be a large and influential *clientèle*, capable of being referred to in proof of the extent of the nature of the business done, and willing to certify as to the just and reasonable terms on which it is conducted, and to the prompt manner of meeting every engagement, however large and intricate. If, in addition, customers were found to have maintained a connection during a lengthened period, and to have entrusted the company with repeated and growing transactions, the fair inference would be that it had won, because it merited, public confidence.

Is such an ideal attainable? Among the many aspirants to favour does any one pre-eminently and undoubtedly answer to the suggested requirements? This treatise had been prepared with a view to set forth certain principles, and to lay down certain rules for guidance in investments, when accident revealed what may be regarded as an embodiment of the ideal picture already drawn. It is found in the Universal Stock Exchange, Limited, originally established in 1885; so that it has had eleven years' extensive, varied, and successful experience. In 1889 its capital was increased, and again in 1895, when additional facilities were provided for dealing in stocks and shares of every description. The present subscribed capital is £300,000, and a reserve fund of over £50,000 is judiciously invested in valuable real estate and in first-class securities.

The spacious and elegant offices are in Cockspur-street, facing Pall Mall—one of the noblest positions in the metropolis. Direct electric communication is held with every telegraph office throughout the kingdom. A large staff of trained clerks keep systematic records of prices and conduct the extensive correspondence with an influential body of customers. The Exchange claims to be able to deal instantly with any amount or variety of stocks, and to deliver the certificates with promptitude. Full information is contained in a little *brochure*, issued by the Exchange, *How to Operate Successfully in Stocks.* A weekly *Market Report* is also published; furnishing in a tabular form the latest prices, and supplying well-written and authoritative original articles on financial and investment subjects of the day, and on allied topics in which Stock Exchange operators are interested. Copies can, doubtless, be obtained on written application.

The above valuable manual, *How to Operate*, has run through twenty-eight editions. It contains much original information, not to be found elsewhere, on Stock Exchange usages; with elaborate tables of the highest and lowest prices in recent years. All the information is brought down to date, so as to be both available and reliable. Many practical hints are given on how profits are made, how orders should be sent, the modes of transfer, and the different systems of dealing in vogue. The entire work is written from a practical point of view, and is the result of much study and of long, varied, and successful experience. It has evoked much appreciation from all who have studied its pages, and who have acted upon the advice which it contains. The work is free from technicality and ambiguity.

In a lecture delivered some little time ago to the Chartered Accountants Students' Society of London, Mr. Frederick Whinney reminded his hearers that a knowledge of the customs of the Stock Exchange must be numbered among the qualifications of an expert accountant. "This little work, *How to Operate*, now before us, seems well calculated to complete the accountant's education in this respect. It is distinctly readable and well arranged, and, although it is really an advertisement of the company by which it is issued, we think it will be found to be quite reliable as a handbook to the customs and usages of that marvellous clearing-house, the London Stock Exchange."

Imitation is said to be the sincerest form of flattery. It is not surprising, therefore, that the methods have been copied, or, rather, travestied. Some hold out as a lure what are supposed to be more favourable terms; such as a lower rate of interest. Apparent cheapness, however, is dearly purchased at the risk of insolvency. It is not too much to say of certain advertising firms which so loudly and persistently proclaim their own superiority, that nothing is known about their financial standing, nor are there any means of testing this in a manner on which the public have a right to be assured beyond all question.

By way of contrast, the position and standing of an established Company, conducted on liberal lines, furnish an adequate guarantee of financial soundness to those who are naturally solicitous to have their business promptly and securely transacted. Two systems are pursued by the Exchange—for Three-Monthly or for Fortnightly Settlements, at the option of customers. The first method is strongly advocated. Those who have engaged in various transactions with the Exchange testify that it endeavours always to act in a considerate and honourable manner. Otherwise so large and thriving a business could not have been built up.

SECTION III.

The Practice.

"Wilt thou, after the expense of so much money, be a gainer?"
Merry Wives of Windsor, ii. 2.

"Our wealth increased by prosperous voyages."
Comedy of Errors, i. 1.

CHAPTER XII.

SMALL AND QUICK PROFITS.

A LEGEND is occasionally seen in tradesmen's shop windows, "Small profits and quick returns." Where this is honestly and thoroughly carried out the results are always highly satisfactory, alike to buyer and seller. The tradesman who by shrewd purchases and nimble sales turns his capital over four or five times in a year is contented with a moderate rate of profit. He will realise much more in the twelve months than his neighbour who exacts double the profit, but whose shop is crowded with unsaleable goods. The chances are that he will have to dispose of much of his stock at a sacrifice, because it has outlived the market, or has spoiled in the keeping.

The same rule applies to investments or speculations in stocks or shares. Few persons have any conception of the slow but sure results of steady arithmetical progression, or of the way in which compound interest, even at a low rate, swells the principal sum. A few thousand pounds judiciously invested, and realised with similar care every few weeks, and sometimes every few days, although yielding on an average only one-half per cent. at each transaction, will aggregate to an incredible amount in the course of a year.

The precise method of operating in stocks must be determined by their specific character, by the conditions of the hour, by relative circumstances, and partly by the temperament or courage of the operator. There are times when a bold and decisive *coup* is the wisest and safest; and every man must judge for himself, as guided by the state of the market. No uniform rule can be laid down. Each must be a law to himself, as experience and common sense may dictate at the moment. Ordinarily, however, and in the absence of anything special or abnormal, it is safe to advise the flying of the kite with a short line, so that it may be easily and quickly drawn in.

The best choice possible having been made, with all reasonable care and judgment, and with a fair prospect of a rising price, the market should be vigilantly watched, and advantage taken of a fractional rise. Another investment should at once be made, and the operation repeated whenever the chance arises. If there be courage to hold on during a temporary depression, and, still more, during a passing panic, the results must be satisfactory, on a system of averages, always supposing the original purchases to be sound and fair.

All this, however, presupposes that the operator does not resort to the customary transactions through an ordinary broker, restricting himself to the usual settling-days on the Stock Exchange, and paying repeated commissions and Contangoes that will certainly absorb the chief part of any legitimate profits. Instead of this it is essential to watch the market, so as to sell and re-purchase or invest elsewhere with promptitude. Though the fluctuations may be slight, the frequent repetition of the process is certain to eventuate in a considerable gain, always on the supposition already made, that a careful choice has been exercised, and that the right moment is promptly seized.

The principles above enunciated, and the methods recommended, are applicable to every kind of investment or speculation for which a market exists. The great thing is to turn over the money as often as possible, always, of course, exercising vigilance in closely watching the fluctuations of the market, and then taking prompt action. We repeat that the essence of the matter lies in the frequency of the turnover. In this, as in other things, the man who hesitates is lost. A small and immediate certainty is far better than large problematical gains that may never be secured.

To buy promptly when prices are cheap, to sell as promptly when the market turns, even to a fractional degree, and to go on repeating the process *ad infinitum*, is the secret of success. To be reproductive, money must be in constant use. It will not fructify in the pocket. Deposits in a bank at 1 or ½ per cent. per annum are as wearisome as the task of Sisyphus. But a constant outgoing and returning, even though the actual gain on each transaction seems to be infinitesimal, mounts up to an extraordinary degree when repeated over a lengthened period.

It is the old story of the nimble ninepence multiplying itself by frequent repetition, while the tardy pound was dormant and unproductive. In other words, the wise saw of the prudent but enterprising tradesmen, "Small profits and quick returns," is safe and certain when applied to judicious investments. Of course, all this implies, as it may be not altogether unnecessary to repeat, that ordinary prudence is exercised in the selection of stock for purchase, and in seizing upon the right moment for sale and re-investment. Decision and promptitude are also essential, so as to be contented with a small and certain rise, instead of waiting or hesitating in the hope of something better being offered next week or next month.

It is strictly true in business of this kind that a bird in the hand is worth two in the bush. A fractional profit every few days, and repeated eighty or ninety times in a year, if suitable occasions offer, is far more advantageous than waiting, and watching, and hoping for a grand stroke of luck that may never come. "Little and often" is a simple but safe rule. It has borne the strain of experience, and may be confidently recommended for adoption. True, the markets are not always in a condition to allow of such profits being taken, but such is the case very frequently. By going in promptly, and being content with a small profit, it is almost impossible to be in the wrong, on the law of averages.

CHAPTER XIII.

CASH COVER.

SEVERAL methods are followed in dealing in stocks, all of which, at first sight, may be erroneously supposed to yield the same results. If, for example, £10,000 Midlands be purchased at 160, at a cover of 1 per cent., and sold in four days at 161, a net profit of £100 will have been made, supposing no brokerage is charged; no matter which system is adopted. But if the transaction had to be kept open for any length of time, and the stock dropped to 159 ere the chance came to sell at 161—a contingency that might arise—the operator would soon wish to discover another plan that is better and cheaper.

On the Cash Cover system, stocks and shares are bought or sold by depositing with the broker or jobber a certain amount of money, on the understanding that until it is exhausted no more liability shall arise. This is termed "cover," or "margin," and is a percentage on the nominal value of the stock in question; varying from 1 to 10 per cent. The bargain practically completes itself as soon as the margin is absorbed through the rise or fall in price of the stock. It is advisable to deposit sufficient cover, because it often happens that bargains have to be completed at a heavy loss through a sudden fall, and if the margin is insufficient the whole is lost, whereas a profit might have been secured with a larger cover.

The chief advantage, and perhaps the only one, is the restricted liability incurred, which is a great comfort to nervous and timid persons; but a grave disadvantage consists mainly in forced closings. Another is that the usual Contagoes are charged, and must be paid on account days to keep the cover intact. A very little liability, however, often proves disastrous, as already stated, owing to a sudden and temporary fall in prices.

Stocks seldom move up or down at a fixed rate of progression. They vacillate fitfully and considerably; and herein lies the chief danger. The Cover system also places in an awkward position those dealers who advise customers as to probable changes. No one can fix the precise moment when a stock is at its highest or lowest; therefore, with the best intentions and the soundest judgment, the advice of the dealer is thwarted by perpetual fluctuations, arising out of an astounding concatenation of highly improbable circumstances that could not be foreseen or guarded against.

Many persons seek to obviate the difficulty by placing a large amount of Cover on their bargains; which is unsatisfactory, because a needless cash outlay has to be incurred in order to make anything like profit. Another disadvantage is that unnecessary cheques have to be drawn, to the derangement of banking accounts, in the uncertainty that prevails as to movements in the market. On the whole, the system of Cover, although so popular of late years, and although it is extensively advertised, cannot be recommended for adoption.

CHAPTER XIV.

FORTNIGHTLY SETTLEMENTS.

THIS method is more advantageous than the Cover system. Larger transactions can be carried on, and there need be no apprehension of bargains running off automatically, or of being rendered futile by sudden fluctuations: On this plan, stocks can be bought or sold without "cover" or restriction. The dealer has no right to close any transaction without express orders, or unless the customer makes default. Accounts are made up fortnightly, or thereabouts, according to the settling-days on the Stock Exchange, and settled either by payment, or by delivery of the stocks dealt in. If any stocks are open on the first day of the account they are carried over at the making-up price; Contangoes being charged at the prevailing rates.

Fortnightly Settlements, however, are open to the objection that their regular and swift recurrence is often inconvenient, and may prove disastrous.

There is always a danger that some particular stock cannot be carried over. Besides this, on the method pursued by most brokers, their heavy commissions for buying, selling, and carrying over on repeated transactions swallow up most of the profits, and, in many instances, convert a possible profit into an actual loss.

It must be reiterated, for the point cannot be too strongly impressed, that the investor spends his time and risks his money mainly for the advantage of the broker, who incurs no risk whatever. An eighth per cent., or even one-quarter, may appear trifling, but, when repeated many times in a year, the aggregate mounts up high enough to be serious. Under ordinary circumstances the advantages to the operator are too slight and problematical to warrant his adopting this method.

If an arrangement can be effected, as is quite practicable, to deal directly with a thoroughly responsible jobber, who, of course, cannot charge commission, and from whom it is certain that a cheque for profits accruing will be promptly received, the system of Fortnightly Settlements may be occasionally, in certain states of the market, adopted with advantage. At the same time, the general rule may be laid down that fourteen days barely suffice to allow of the working out of plans based on elaborate and careful calculations, and which are liable to be disturbed by unforeseen and unavoidable causes. A longer period, therefore, is desirable under most circumstances.

The question arises, How is it possible to operate in large quantities of stock without the means being immediately available for payment? The reply is that payments are rarely made in full, even for stock actually bought. If credit be good at the bank, an advance of within 10 to 15 per cent. of the actual value is obtainable. Even if the purchase be speculative, and a continuation cannot be arranged before settling-day, a sale can be effected. Very rarely, however, does such a contingency arise.

CHAPTER XV.

THREE-MONTHLY SETTLEMENTS.

THE third system, and manifestly the most advantageous one, is that of the Three-Monthly Settlement. On this system fixed periods are appointed for settlement, so that investors know the time available for the completion of their operations. The procedure on the appointed carrying-over day is the same as on the Fortnightly Settlement, explained in the last Chapter, but instead of an arbitrary rate of Contango, with the scales of brokerage, a charge is made at the rate of 5 per cent. per annum, reckoned on the actual value of the stock, from the opening day to the closing of the transaction. While it runs, the investor can buy back what he has just sold, or sell what he has bought.

On the day of settlement accounts are adjusted and the balance is paid. The system, as we now proceed to explain, is so simple and intelligible that every one can understand it. This accounts for its great success, which has aroused the interested opposition of those who have a constitutional incapacity for or a selfish dislike of exact statement, and who prefer to indulge in empty theories spun in the loom of their own imagination. Readers need to be cautioned against Cheap-Jacks bawling in the market-place, whose stock-in-trade is little more than a voice and a vocabulary.

The period of a Three-Monthly Settlement having been fixed, all transactions are entered upon the statement of account rendered, with interest on each purchase at the rate of 5 per cent. per annum, reckoned from the day of the purchase to that of its completion, or of its being carried over to the next account. The advantage of this fixed and reasonable charge is obvious from the fact of the varying and arbitrary rates for Contangoes on some securities, besides the perpetually recurring expenses of brokerage. These, of course, are saved by the Three-Monthly system. The interest charges are stated separately on each item, so that it may be seen what each transaction involves.

The trifling cost for the use of large sums of money for a quarter of a year will be apparent from a single instance. In a given quarter five blocks of stock were purchased, of the nominal value of £40,000, for varying prices that aggregated £11,250.

Before the end of the quarter the whole were sold, excepting one small item carried over. The total expense, being 5 per cent. interest charged on the exact number of days for each operation, amounted to £40 14s. 4d. After deducting this, the credit balances to the operator were £1939 14s. 5d., with unsold stock to carry over, valued at £487 10s. at the making-up price of the day. If the same transactions had been carried on with a broker on the ordinary terms of a Fortnightly Settlement, Contangoes would have been charged on each full account, even if the bargain had been completed within a day or two, as is often the case. This charge, with repeated commissions, would have made a tremendous inroad upon profits.

In another case, on business amounting to £50,000, the investor received, as the result of Fortnightly Settlements, £748 5s. 3d. as profit from his broker, who on his part pocketed £248 15s. at his customer's expense in the shape of commissions and Contangoes. In other words, the man who had to bear the entire risk had three-fourths, while the broker had one-fourth for his perfunctory and unnecessary services. The result of the same transaction for the same amount, dated from precisely the same period, if carried on direct with a respectable jobber, would have been expenses on the 5 per cent. rate, £92 16s., while the investor's profits would have amounted to £903 9s. In this way he would have gained 22 per cent. more on the identical transaction. This is a startling but an accurate statement, based on actual facts.[1]

The difference may not always be so great, for it will be regulated by the amounts and the dates, but it will always correspond to the excess of brokerage and Contangoes over the comparatively small amount of interest charged on a Three-Monthly Settlement for the use of the money. This, it must be repeated for the sake of emphasis, is based on the exact number of days that the purchases remain open, whereas on the Fortnightly method brokers' Contangoes are for the full account. A bargain opened just before carrying-over day, and completed on the day following, as is often done when small and quick profits are taken, would be charged for the whole period of from fourteen to nineteen days, according to the duration of the account, even when the transaction was open only for two days.

On this plan the operator has perfect freedom to deal as he likes for three months, giving ample time for every purchase or sale to develop. The interest charged is known and fixed, being 5 per cent. on

[1] Full details concerning the above and similar transactions will be found in the pamphlet, *How to Operate*, mentioned on a previous page.

the actual—not the nominal—value of the stocks purchased, calculated by the exact number of days from purchase to completion. In addition to the actual saving in money, there is an untold gain in time, trouble, and perplexity, which are avoided in wading through and mastering intricate series of accounts, largely made up of arbitrary charges, which it is impossible to escape. Moreover, a broker is irresponsible in the event of a loss, and the investor has no voice in the selection of the jobber; whereas by dealing with a large, well-known, and established company, no delay and no risk occur, and there can be no dubious apprehensions as to the completion of the transaction.

The public are beginning to find out wherein their own advantages lie. Viewed in all its bearings, the Three-Monthly Settlement system is far the best of any prevailing system of dealing in stocks and shares. The interval is not too long, and yet it is long enough. Advantages similar to those of the Fortnightly System are offered, with other greater advantages which it does not possess, while the manifest disadvantages are avoided. Especially, it may be repeated, is the interest chargeable much less, and other charges are impossible. In extensive operations thousands of pounds may be saved in a year in this way. The method has been carefully elaborated, and may be deemed approximately perfect. It has long been tried with satisfactory results on the Continental Bourses and the American Exchanges. Many years ago it was first introduced by the Universal Stock Exchange into England with much success, and hundreds of persons, after careful inquiry, have adopted it, and are perfectly assured of the advantages accruing. They have attested this, although, as a general rule, the contented are mute. Only the grumblers complain and clamour.

CHAPTER XVI.

TIME AND SPACE ANNIHILATED.

TIMES are greatly changed since 1815, when one of the Rothschilds set sail in a swift boat from the shores of France, posted to London as fast as horses could gallop, and, knowing that Wellington's triumph over Napoleon at Waterloo was assured, bought up all the Consols that could be had, the price then being as low as $58\frac{11}{16}$. He had twenty-four hours' start of the news, which, as soon as it reached the Government, caused a rebound in the price, and Rothschild netted an enormous fortune.

It is erroneous to suppose that in order to deal, especially on the Short and Quick Profit system, the operator must be on the spot. The daily papers, and especially good evening papers like the special edition of the *Evening Standard*, which gives the actual tape-prices during each day, keep him informed of what is passing, wherever he may happen to be. It is assumed that he lives within reach of the telegraph, to enable him to wire orders that can instantly be carried out. Not many years ago the inhabitants of a remote country district were practically cut off for hours and for days from communication with other districts or with the metropolis. The people of one parish knew and cared little about those of a contiguous parish, and the county town was visited only at long intervals, as a memorable event in the dull routine of life.

A trip to London was not then the smooth and expeditious process which modern improvements have rendered it, more especially if it was made from one of the remote districts. The English roads were so execrable that in 1703, when Prince George of Denmark, the husband of Queen Anne, travelled from Windsor to Petworth, a journey of only forty miles, it took fourteen hours to accomplish. The carriages repeatedly stuck in the mire; some of them were overturned, and the prince's coach would have shared the same fate, but for the boors of the district, who propped and poised it with their brawny shoulders all the way from Godalming. The last nine miles of the journey occupied fully six hours. Sussex was notorious for bad roads and for the tenacious character of the soil. It was commonly said that the reason why the natives had such long limbs was that they were stretched from childhood in efforts to extricate them from the muddy and sticky roads.

Nor had matters improved at the end of the eighteenth century. The *Tours* of Arthur Young, of which the first, through the Southern counties of England and Wales, was published in 1768, and the second, through the North of England, in 1770, contain many notices of the state of the roads, and show that it was, with but few exceptions, anything but creditable. Concerning Essex he says, "Of all the cursed roads that ever disgraced this kingdom in the very age of barbarism, none ever equalled that from Billericay to Tilbury. It is for near twelve miles so narrow that a mouse cannot pass by any carriage. The ruts are of an incredible depth, and the trees everywhere overgrown the road, so that it is totally impervious to the sun. To add to all the infamous circumstances which occur to plague a traveller, I must not forget the eternally meeting with chalk-waggons, themselves frequently stuck fast, and twenty or thirty horses may be tacked to each to draw them out one by one."

That Young's indignation had not been excited in this instance by an unusual specimen of road-making is evident from his frequent notices of similar cases. He expresses himself "infinitely surprised to find the same stony, hard, rough, and cursed roads, miscalled 'turnpikes,' all the way from Gloucester to Newnham." Of the one from Preston to Wigan he writes, "I know not, in the whole range of language, terms sufficiently expressive to describe this infernal road. To look over a map, and perceive that it is a principal one, not only to some towns but even whole counties, one would naturally conclude it to be at least decent; but let me most seriously caution all travellers who may accidentally purpose to travel this terrible country, to avoid it as they would the devil, for a thousand to one but they break their necks or their limbs by overthrows or breakings down. They will here meet with ruts, which I actually measured, four feet deep, and floating with mud only from a wet summer; what, therefore, must they be after a winter? The only mending it receives is the tumbling in some loose stones, which serve no other purpose but jolting a carriage in the most execrable manner."

Postal facilities were scanty. The mails arrived in London and were despatched on alternate days. Remote towns and villages were irregularly supplied. The charges increased with distance, and were prohibitory, except to the affluent. Even down to the year 1840, a day's wages of a labourer were absorbed in sending a letter from London to

Scotland. Towards the close of the seventeenth century an enterprising London citizen, William Dockwray, established at great cost a penny post, to deliver letters and parcels six times a day within the City of London, and four times in the suburbs; but he was opposed and hindered, first by the porters, whose craft was endangered, and then by the Duke of York—afterwards James II.—upon whom the net profits of the Post Office had been settled by Charles II., and who successfully invoked the aid of the law courts to protect his monopoly, which yielded nearly £50,000 a year.

Not until 1783 was a scheme of postal reform devised. John Palmer, in a memorial to Pitt, described the inefficiency and insecurity of the existing system, which had become more and more corrupt since the time of Charles II. Palmer made valuable suggestions for accelerating the mails, and for ensuring the safe transmission and the punctual delivery of letters, instead of the fitful, tedious, and uncertain method of forwarding them by postboys on horseback. Pitt had the sagacity to perceive the merits of the plan, which Palmer was authorized to carry into effect. He was appointed comptroller-general, with the necessary powers to overcome the inertness and active opposition of officials, whose traditional rule is to resist change. Every reform has been forced upon the Post Office from outside; notably in the case of Palmer and that of Rowland Hill. The existing habit is to maintain that the official system is absolutely perfect, and that no change or improvement is possible.

Palmer used the stage-coaches, then coming into vogue with the construction of solid roads by Telford and Macadam. The guards were armed, to defend the mails from robbers, and the coaches departed and arrived at fixed times daily. It was thought an achievement to cover the distance between London and Bristol in sixteen hours. This was the germ of the system which subsequent labourers have developed. In 1793 the gross revenue from the Post Office was £652,868, and the net profits £317,086. By 1801 the amounts had risen to £1,144,900 and £755,299 respectively. The total receipts, including telegraphs, now exceed thirteen millions; one-fourth of which accrues to the Exchequer as surplus.

All these conditions have been changed by improved highways, by a network of railroads, by the penny post, and by telegraphy. It is only needful to send a brief message, or one or two code words, and stock can be bought and sold within an hour. Any respectable firm will immediately execute the instructions without any further trouble, just as if the client were on the spot. The daily newspaper which he receives the next morning will furnish a check on the contract note brought by the same post, and will acquaint him with any variations on the market; thus enabling a correct judgment to be formed as to further operations.

If dealing on the system of taking short, quick profits, all that need be said in the telegram is that it is desired to buy or sell at a certain price, and to sell or repurchase at another price. The order will work itself out, his own presence being unnecessary. Experience shows that customers at a distance are better off, in the long run, than those who wait all day in a stock-dealer's office watching the fluctuations in prices; for the latter class are prone to become nervous and uneasy, and to adopt a foolish course in a sudden fright. Most of the panics of recent years had their origin in anxious persons who took alarm from the clicking of the tape when prices chanced to show a temporary adverse fluctuation.

CHAPTER XVII.

THE TRANSFER OF STOCKS AND SHARES.

VARIOUS methods prevail in the transfer of stocks and shares. They are commonly known as Inscribed Stocks; such as are transferable by deed; and those to Bearer. In the case of Inscribed Stocks no certificates are given, but the names of the holders and the respective amounts are carefully entered, or inscribed, in books kept for the purpose at the Bank of England or by other bankers. They are regarded as the safest form of security. No transfer can be effected without the actual presence of the person whose name is recorded, unless a power of attorney has been executed authorizing some one to act for him. The cost of this is 6s. 6d. for sums less than £20, and 11s. 6d. above that amount. Application has to be made in the Power of Attorney Office, on a form provided for the purpose, which gives all details as to procedure.

The form has to be lodged before 12.30, and will be ready in the afternoon of the same day. It has then to be signed by the vendor, and again returned to the bank. In any case, the stock-holder or his attorney must be accompanied by some one known to the bank authorities for purposes of identification, unless he be a member of the Stock Exchange or a banker. The object of all these precautions is to prevent the holder of Inscribed Stock being deprived of it without his consent or knowledge. The following stocks are transferable at the Bank of England, in any amount, except those printed in italics, which must be in multiples of £1. The first seven on the list are redeemable in or after the years named.

£2 15s. per cent. Consolidated Stock, 1923 ("Goschens").
£2 15s., ditto, reduced from Three per Cents. in 1884 by Mr. Childers, and redeemable in 1905.
£2 10s. per cent. Annuities, 1905.
£2 15s. per cent. Annuities, 1905.
Local Loans £3 per cent. Stock, 1912.
Metropolitan Police Debenture Stock, 3 per cent., 1920.
India £3 10s. per cent. Stock, 1931.
India £3 per cent. Stock, 1948.
Bank Stock.
Annuities for Terms of Years.
Red Sea and India Telegraph Annuity, expiring August, 1908.
Metropolitan £3 10s. per cent. Stock, 1929.
" £3 per cent. Stock, 1941.
" £2 10s. per cent. Stock, 1949.
Liverpool £3 10s. per cent. Stock.
Manchester £3 per cent. Stock, 1941.
Birmingham £3 10s. per cent. Stock.

Birmingham £3 per cent. Stock.
Swansea £3 10s. per cent. Stock.
Hull £3 10s. per cent. Stock.
Wolverhampton £3 10s. per cent. Stock.
Nottingham £3 per cent. Stock.
New Zealand £4 per cent. Consolidated Stock, 1929.
,, £3 10s. per cent. Consolidated Stock, 1940.
New South Wales £4 per cent. Stock, 1933.
,, ,, £3 10s. per cent. Stock, 1918 and 1924.
Queensland £4 per cent. Stock, 1915 and 1924.
,, £3 10s. per cent. Stock, 1924 and 1930.
Egyptian Government 3½ per cent. Preferred Stock.
Eastern Bengal Railway "A" Annuity, expiring July 30, 1957.
Eastern Bengal Railway "B" Annuity, expiring July 30, 1957.
Eastern Bengal Railway 4 per cent. Irredeemable Debenture Stock.
Scinde, Punjaub, and Delhi Railway "A" Annuity, expiring December 31, 1958.
Scinde, Punjaub, and Delhi Railway "B" Annuity, expiring December 31, 1958.
East Indian Railway 4½ per cent. Irredeemable Debenture Stock.
Oude and Rohilkund Railway 4 per cent. Debenture Stock, 1898.
South Indian Railway Perpetual 4½ per cent. Debenture Stock.

Dividends on the 2¾ per cent. stock are payable on the 5th of January, April, July, and October, until April 5, 1903, when the interest will be reduced to 2½ until 1923, when the Government has the right of redemption at par. This stock is quoted *ex div.* a month previously to the date of payment. Of late years the warrants are transmitted by post under a special form of request, which obviates much trouble in the case of country holders.

Arrangements can also be made for the accruing dividends to be invested in fresh Consols, when the amount of stock held is under £1000. The fee payable on every transfer is 9s. on amounts under £25, and 12s. above £25.

Canada Inscribed Stocks and Cape of Good Hope 4 per cents., with the Victoria Inscribed Stock, are transferable in any amount and by similar procedure, but free of expense, at the London and Westminster Bank, with the excepton of the 4 per cent. Canada Reduced 1910, on which there is a stamp duty of 2s. 6d. per cent. South Australians are transferred at the office of the Agent-General for the Colony, 1, Crosby-square; and the Ceylon Inscribed Stock, the Jamaica, the Natal, and the Western Australia at the offices of the Crown Agents for the Colonies, Lothbury.

Another large class of stocks are transferred by deed, involving no personal attendance or identification. The holder is entitled to a certificate under the company's seal, showing the amount held. When it is desired to sell either the whole or a portion another transfer deed has to be prepared, signed by the vendor and the purchaser, and duly registered at the office of the company. Not the slightest alteration or erasure should be passed unless it is initialled by the transferrer, and also that every particular required in the deed is duly supplied. Some companies have special forms of tranfer. In any case immediate registration should be seen to. The usage of the Stock Exchange allows ten days for the delivery of registered securities, so as to give sufficient time for execution of the transfers. When a temporary loan is obtained on stock, without the absolute sale being made at the time, it is usual to take a blank transfer, which is held by the bank or the person lending the money as security until the loan is paid off.

In the case of American railway shares the custom is not to register the names of the actual proprietors, but of bankers or other well-known persons, who act as agents in England for the railways, and who undertake to receive and duly transmit the accruing dividends. The latter sign a form in blank on the back of the certificate, which can then be transmitted from one person to another, no transfer deed being necessary; so that they are practically shares to bearer. If a purchaser desires a fresh certificate in his own name, he can obtain it by sending to an agent in America, who will go to the office of the company and exchange the old certificate for a new one. It is quite safe, however, to accept the usual form of certificate endorsed, so long as it is allowed to remain blank.

The third form of transfer is by bonds and shares payable to bearer; requiring neither registration nor any legal document. The usual name given is Scrip Stocks, and they include all foreign Government stocks and most American railway bonds and shares. The former have attached to them a sheet of coupons. Care should be taken to see that they are intact, so far as regards future dividends. They bear a distinguishing number, which is the only mode of identification. However convenient for purposes of expedition and inexpensive transfer, there is, of course, the danger of their being lost or stolen.

It may not be unnecessary to suggest as a cautionary remark that the deeds should be kept in the owner's possession, or in a box with a Safe Deposit Company, of which he alone retains the key. He should only remove the coupons when they fall due, paying them into his bankers for collection; and should never allow the original documents to pass out of his hands, unless for purposes of raising a loan upon them. Constant difficulties arise in administering the estates of deceased persons through missing securities, the custodians being unknown; and they are sometimes misappropriated.

CHAPTER XVIII.

LOSS OR GAIN?

BORROWERS raise money in order to purchase or avoid selling. Hence prices rise, and the rise adds to the nominal capital, and particularly to that represented by the loans and deposits of banks. Wages also rise; and with this the requirements for small change are increased, and the banking reserve is trenched upon. A diminution of borrowing has precisely the opposite effect, for then banking liabilities diminish, and the reserve tends to increase. This involves falling prices and lower wages. In this way every part of the commercial and industrial system is interrelated. It is impossible for one section or one class to be affected without a corresponding influence being exerted upon the others.

The usual stock of coin in the Bank of England, apart from bullion in the Issue Department, averages only about ten millions. This is the sole guarantee for the liabilities of the banking and commercial system of the country, reckoned at hundreds of millions. There is, further, an immense contingent liability through the ease with which people can borrow on securities, and so get money placed to their credit, against which they can draw cheques. Many financial authorities are strongly of opinion, having regard to the commercial panics which have taken place during the second half of the century, that such an actual cash reserve is by no means adequate to the requirements of the case. The subject is dealt with specifically in the sixth and the twenty-second Chapters.

It will be seen at a glance how material an annual supply of gold from the mines becomes. One year with another, other things being equal, the population increases in numbers, and commodities are multiplied. Given the same range of prices, the same rates of income as before, and a continuance of the same general conditions of business, it means that a banker's deposits and liabilities will increase, and therefore a larger reserve will be required.

For similar reasons there will be an increased requirement for cash as small change, and if this be not forthcoming the increased population cannot carry on their business except by trenching on the bank reserves. To maintain equilibrium, a steady addition to the stock of cash is required, simply for circulating purposes. Thus wages and profits are directly related to the quantity of gold in use, and they also incessantly affect prices, which are in the long run only wages and profits in another form. A scarcity of cash, other things being equal, tends to lower the prices of securities, whilst an abundance of cash tends to raise them.

Great changes in the affairs of a joint-stock company, or of a group of such enterprises, seldom come as a surprise to those who possess knowledge and experience. The changes are foreseen, and their effects are discounted long before they occur. Thousands of professional dealers and private operators make it their chief business to watch prices and to study events. They are able as by intuition to calculate the immediate course of business on the market. At the same time they avail themselves of such intermediate fluctuations as are sure to occur, knowing that a stock rarely moves straight up or straight down, but vacillates widely and frequently before the extreme point is reached.

Nothing is more certain or remarkable than the periodicity of prices. They run in cycles of varying intervals and duration. Tooke was one of the first to point this out in his *History of Prices*. It applies not only to stocks, but to all commodities. At one period the range of prices falls lower than it had been for some time. This lasts for a few months, or for a year or two. Complaints of dulness and depression are general. Then prices begin to rise in one market, and others are speedily affected, until the ascending movement becomes general, and at length a high range is established for a longer or shorter period. Again there is a reaction, and the reverse process is again brought about, as Tooke, Newmarch, Stanley Jevons, Bagehot, and other writers have shown; though they are not agreed upon the causes or the theoretical explanations. Political economists, like theologians, are prone to be wedded to favourite theories, and to denounce as heretics all who differ.

Similar fluctuations are observable on the Money Market and the Stock Exchange; which, indeed, like a sensitive magnetic needle, are the first to feel impending movements. A chief reason is the ready market furnished for all securities and the necessity of buying or selling in emergencies. The creation of surplus profits in a time of great prosperity produces a demand for investments, which have to be promptly realised when trade is bad and little or no profit is being made. A special connection exists between banks and the markets for securities, which attracts money to or diverts it from the Stock Exchange.

Securities are also affected by a diminution of deposits in banks, through trade profits falling off or not being made. But the most important factor in the changes in the price of securities, as in the price of commodities—apart from changes in the income from the securities themselves—is the cyclical change in the state of credit, already mentioned as an established law of business. Moreover, there is a permanent tendency to a rise, through a lack of suitable new outlets for accumulating surplus capital, or from the necessity for a large amount being kept in securities that are quickly realisable. The steady appreciation in Consols during recent years illustrates this tendency.[1]

[1] See Appendix C.

CHAPTER XIX.

INEVITABLE FLUCTUATIONS.

IT is notorious that large fortunes, and many more of moderate amount, are realised by stock operations. How is it done? Is it an esoteric mystery, known only to the initiated, like the inner meaning of the ancient philosophies of Egypt and of Greece? So far from this, the explanation is prosaic. No special training and no phenomenal ability are required. Ordinary discernment, business shrewdness, and a cool head are necessary, such as the average commercial or business man possesses. But human nature is usually timid, and waits to follow a leader. Otherwise, like Mr. Micawber, it is hoped that something will turn up, or the delusion is cherished that the example can be imitated of Becky Sharp and Colonel Rawdon Crawley, in *Vanity Fair*, who contrived for a time to live well and to keep up a brave appearance on nothing a year.

When a stock has experienced a considerable rise, then, but not till then, do this class of people think of buying. In like manner, when it has greatly fallen, and probably has reached the lowest point, then, but not till then, do they sell. The chances are, in both cases, that a turn is about to take place, and they find themselves in the unpleasant predicament of being either too late or too soon. They have purchased at the highest, or have sold at the lowest. Naturally, they lose their money and then attribute it to ill-luck.

Luck has far less to do with business in general, and with stock-dealing in particular, than is commonly supposed. What is attributed to luck, or to chance, or to fate, is really the product of alertness, judgment, diligence, knowledge, and common sense. The absence of these qualities is fatal to success. The old classical fable of Midas, whose touch was said to transmute everything into gold, has no counterpart in real life, and the story of the wealth of Crœsus has deluded not a few. Careless inquiries, erroneous information, unsound opinion, precipitancy, or hesitancy, are the real causes of failure, and the result is exactly what reasonable persons might have anticipated.

There is no secret in successful bargains or ventures of the kind, except the art of buying at a low price before the rise sets in, or of selling on the eve of a fall, and thus reaping the benefit of the upward or downward movement. If it be asked, How is the critical juncture to be known? the obvious reply is that the knowledge is to be attained, and can alone be attained, by the exercise of average intelligence; as is the case with all other affairs of daily life.

Nothing is more easy or more common than to be deluded by a mere Will-o'-the-Wisp, and to imagine that money is to be had for the picking up on some Tom Tidler's ground. People are ascinated on hearing of what is commonly called "a snug income" or "a safe venture," or of large fortunes made in a particular stock. They commence operations in a random and hap-hazard manner, hoping to secure like results. They do not take the trouble to examine the past in order to form a correct opinion as to the immediate future, but are led away by rumours or by unsound advice, and dabble here and plunge there, with the unfortunate but certain issue of the loss of their investment. They make guides, philosophers, and friends of any incompetent but conceited persons who profess to be able to lead them, and who fool them to the top of their bent. They do not know why the market went against them, and why they did not succeed; the true reason being that they did not ascertain beforehand whether they were buying cheap or selling dear. They bought in ignorance, after the rise, or they sold at the ebb. Then a change came o'er the spirit of their dream. No wonder they lost their money.

Yet they might have saved it, and gained more, by seeking available information and taking ordinary care in the choice of stocks. Many of these which appear unlikely are favourable at some time or other, the precise period being determined by the special circumstances of each case. No invariable rule can be laid down, but a careful and regular study of the highest and lowest prices in the lists, compared with former prices over a lengthened time, will enable any person of average discernment to decide as to the most likely securities in which to deal. It is well to learn to play one's own game, to form one's own opinion, and to trust to one's own judgment. The man who shrinks from entering the water will never learn to swim.

CHAPTER XX.

BOOMS AND PANICS.

A FALSE alarm of fire, the escape of a little gas, the slamming of a door, or the cracking of plaster in a public building, suffices to cause a multitude of people to lose their heads and to give way to wild alarm. It is then a struggle for *sauve qui peut*, and the weakest are sure to go to the wall. A little thing suffices to create a scare or to get up a panic in the Money Market and the Stock Exchange. They are sensitive to every breath that stirs. A remarkable illustration was furnished in December, 1895, in the case of President Cleveland's message to Congress respecting Venezuela. For a few hours it was supposed that he had the whole of the United States with him; but Nemesis was swift and certain.

The aboriginal inhabitants of Australia have a weapon known as the "boomerang," made out of a flat, curved piece of wood, which, cleverly flung, returns to the feet of the person who throws it. In the case of the United States the financial boomerang recoiled with deadly results. When the first excitement, however, passed by, the common sense of the great body of the American people came to the rescue. Bankers and business men in particular instantly perceived the disastrous effects of the Presidential message. Within three days a panic suddenly burst upon Wall-street. Before noon 400,000 shares were flung upon the market for realisation at any price, and nearly double the number were dealt in before that night. Prices kept dropping, until in some cases they reached 14 points. From 50 to 75 per cent. was demanded and paid for money. Even the soundest railway properties, like New York Central, the Pennsylvania, and the Illinois Central, lost from 6 to 10 points of the market value three days before.

Mr. Chauncey Depew, president of the New York Central Railway, speaking to a gathering of leading business men, said that the depreciation in American securities amounted in three days to $400,000,000. Another great financial authority estimated the total loss to bankers, stock-holders, and to commerce during the week at $1,000,000,000, or £200,000,000. Probably both these conjectures were much in excess, but in all such cases a long period elapses ere confidence can be restored. Nothing is easier than to create a panic; but nothing is more difficult to allay. When public suspicion or timidity is aroused, and there are apprehensions of impending loss, the alarm spreads like fire on a common, and a sure method is taken to accomplish what is dreaded. A run takes place on a bank. Every one demands his money. It is ignorantly supposed that the coffers can be made suddenly to overflow with gold; as if bankers locked up their customers' balances and deposits for the pleasure of handing them back at a moment's notice.

No institution, however solvent and well-managed, could bear such a strain. Not even the Bank of England would be equal to it. Hence, in all such cases of ridiculous panic, a number of sound institutions and firms are certain to be brought down, through no fault of their own, but solely owing to the childish dread that precipitates a crash. In 1892, one of the largest, wealthiest, and best-conducted building societies in London—the Birkbeck—experienced a sudden run upon its funds. How the rumour of insolvency originated no one was able to explain, but in the course of a few hours the office was besieged by an excited, impatient, clamorous crowd, all wishing to withdraw their money at once. The adjacent streets were filled from early morning for several days, and enormous sums were paid out as fast as the accounts could be verified. Fortunately, there were large available resources in Consols and in other liquid securities. Then a reaction gradually set in. Some who had withdrawn their money in a fright paid it in again when they saw the actual coin and bank-notes were forthcoming, but of course they forfeited interest and entrance fees. In a few weeks, the Society was transacting a larger business than before.

At such a time it behoves all who can exert a salutary influence to do their utmost to stem the rising tide of foolish and unreasoning panic, and to show how absurd and suicidal it is. Calmness and firmness will do much to allay the fears of the timid; and a display of confidence will inspire it in others. Some years ago, during a spasmodic run upon the London banks, a wealthy and well-known merchant did much to check it by driving up to his bank in a cab with £20,000 in gold, which was carried through the noisy crowd and openly paid in as a proof of his own confidence in the stability of his bankers. Some of the would-be withdrawers paused, reflected, and then decided to allow their money to remain. New arrivals, seeing the turn in the tide, altered their intentions. The panic was checked, and in a few days it wholly ceased. In another instance, the manager had the reserve of gold brought from the strong room, and placed in glittering heaps beside the cashiers; the sight of uncounted wealth, which seemed to be fabulous and inexhaustible, produced a similar effect.

A sudden elevation or depression is easily caused in the Stock Market. Disquieting rumours about foreign affairs; reported or anticipated bankruptcies; the bursting of a reservoir; a great railway collision; a sudden and extensive withdrawal of bullion; or mere vague street talk that a panic is impending, serves to bring it about. Timid holders of stocks and hesitating speculators become alarmed. They hear that others are about to sell, and so they press in, hoping to be first. It is like pouring oil on flames. The excitement spreads, and prices go down with a rush. Those who know this, and the convulsions to which it leads, learn to act accordingly.

The number of commercial panics in the last half century, since the great one of 1825–6, when 770 banks stopped payment, mainly through the number of bubble companies, were the following: in 1847, through the railway mania; in 1857, through the American failures; in 1859, owing to the fear of a European war; in 1866, through over speculation in limited companies; in 1870, through the Franco-Prussian War; in 1885, through the Russian attack on Afghanistan; and in 1887, by the war panics in Paris and London.

Ordinary prudence suggests a preliminary survey and a calm inquiry before yielding to and increasing the alarm. Are the suggested adverse causes likely to operate? Do they even exist otherwise than in the imagination? If they do exist, is there any true relation between them and the apprehended results? Will the supposed evils be averted by people frantically rushing hither and thither and proclaiming that things are going to the bad? Are not the evils, if real, likely to be aggravated? If imaginary, will not the fiasco overwhelm every one with vexation and remorse, when fancied danger brings actual loss and disaster? It is well to ponder questions like these before yielding to a panic; notable instances of which have occurred within living memory; although advising men to be calm and collected under such circumstances is like Shakspere's famous illustration about preaching patience, as put into the mouth of Leonato.[1]

Sometimes the process is inverted, for the sake of getting up a "boom." Its object is to inflate prices, and to create an artificial scarcity, so that people may be tempted to buy at enhanced and fancy values. The theory of modern advertising may be

[1] *Much Ado about Nothing*, v. i.

expressed in a formula—"Blow your own trumpet loud enough and long enough, or get a number of persons to blow it for you, and the world will at length take you at your own appraisement." It is the same with a financial "boom." One class of securities may be diligently talked up and written up until the unthinking public are led to believe in what seems to be the universal theme.

Usually, when emphatic and repeated advice is given by unknown and untried persons to speculate heavily in a particular thing, it is well to reject the advice, and sometimes to do exactly opposite to the suggested course. A respectable dealer will not jeopardize his reputation by becoming sponsor for shady transactions, and his counsel, when given, may be relied on. Moreover, the Three-Monthly System is a safeguard alike against the ill-effects of booms and panics, while enabling the judicious operator to take advantage of their occurrence. It often happens that the most ready to seek advice are the least disposed to take it. They go first to one oracle and then to another, and if, as is the case with most oracles, they are not mute or enigmatical, the impression made lasts just so long as it takes for another to be produced, which, in its turn, yields to the next in an unending series.

SECTION IV.

The Results.

> "Money begets money."
>
> *Old Proverb.*

> "Wealth imparts
> Convenience, plenty, elegance,
> and arts."
>
> *Goldsmith.*

CHAPTER XXI.

GOVERNMENT SECURITIES.

GOVERNMENT securities represent the debt of the nation, secured upon the public credit, with a Parliamentary title and the guarantee of the Exchequer. They rank highest as financial investments, and are probably unequalled in the world. Dating back to the year 1689, the National Debt has furnished for two centuries a convenient means for securing moderate interest at regular intervals. With the founding of the Bank of England the system of public credit was established on a plan first mooted in 1658 by Samuel Lamb, a sagacious and enterprising London merchant. He published a pamphlet, in the form of a letter to Cromwell, urging the formation of a bank in London, similar to the successful one at Amsterdam, and giving reasons to explain the vast superiority of Holland as a commercial nation.

William Paterson (1658-1719), a Scotchman, has the credit of the actual formation of the Bank, which received its charter as a joint-stock association July 27, 1694, with a capital of £1,200,000; being the amount lent to the Government, at 8 per cent., to relieve existing embarrassments. This character of financial agent has been maintained ever since by successive renewals of the Charter. Certain privileges and immunities were granted in return, in the issue of notes; in managing the Public Debt and paying the dividends; in holding the State deposits and making temporary advances; and in aiding in the collection of the revenue.

In this way the National Debt was created; the money being lent on condition that the principal could not be demanded, although power was reserved to pay it off. At the end of the reign of William III. the amount was sixteen millions. Not until the great French War, from 1793 to 1815, did the Debt assume gigantic proportions. The principal additions prior to that time had been during the reign of George II. and the earlier part of that of George III., arising chiefly from the American War of Independence. The amount was enormously increased by the French Revolutionary War; to the extent of £601,500,000.

The burden of the war was largely transmitted to posterity. On January 5, 1816, the National

Debt, including liabilities of every kind, was £885,186,323, or nearly four times the amount at which it stood at the close of the American War of Independence; and seven times more than in 1760. The taxes from 1793 to 1816, irrespective of loans, amounted to £1,129,000,000, an average of nearly fifty millions per annum; whereas the total expenditure in 1792 was under twenty. This is exclusive of the cost of collection, which, under the system then in vogue, was deducted from the sums paid into the Exchequer.

Most of the loans were raised on stringent and wasteful terms for the nation—as is shown in Fenn's treatise on the Funds—while highly lucrative to money-jobbers, speculators, and fundholders. In 1797, for instance, a loan of £14,500,000 was obtained by giving, for each £100 actually paid, £175 of Three per Cent. Consols, with twenty of Four per Cent., and an annuity of six shillings for sixty-three years. Another loan was raised by an issue of £219 Three per Cents. for each hundred. In the following year £17,000,000 were obtained for exactly double the sum in Consols, with an annuity of 4s. 11d. for sixty-two years. Other large sums were borrowed from time to time on conditions more or less onerous and costly.

Of £480,000,000 actually paid into the Exchequer from 1801 to 1815, stock was issued for £572,000,000 at 3 per cent., for £37,000,000 at 4 per cent., and for £99,000,000 at 5 per cent., besides annuities for £316,529, terminable in 1860. Taking the whole period of the war, the average issue was £169 of debt for each £100 actually borrowed. MacCulloch affirms that, owing to the method of funding, the country has been paying ever since for interest from six to seven millions annually more than was just or needful. A partial adjustment, but at the expense of existing bondholders, was made in 1887, when Mr. G. J. Goschen was Chancellor of the Exchequer; the rate of interest being reduced from 3 to 2¾ per cent., until 1903, with the option of redemption by the Government in 1923. Other Three per Cents. had been reduced to 2¾ in 1884 by Mr. Childers, redeemable in 1905.

A further difficulty arose during the Great War. Owing to the continuous exports of bullion the Bank of England was in great straits, and an Order in Council authorized a compulsory suspension of specie payments, and was confirmed by an Act of Parliament. The suspension continued from 1797 until 1819, by which time the market price of gold was 42 per cent. above the Mint price, and the pound notes sunk in value by one-third. The evil was aggravated by a sudden return to specie payments. Those who had lent money when the currency was at par, and the owners of house property and the public creditors, had been receiving only two-thirds of the nominal values ; but, on resumption, all who had borrowed money during the depreciation had to repay in full. Thus trade and commerce were deranged.

From 1793 to 1801 the average price of £100 Three per Cents. was £57 17s. 6d., and from 1803 to 1815 it was £60 17s. 6d. The present gross indebtedness is as follows ; but the net amount, after allowing for the present value of Suez Canal shares, Exchequer balances, &c., is £628,750,209. Comparative figures are given in Appendix D.

Funded Debt	£589,147,000
Unfunded Debt	9,976,000
Estimated Capital Value of Terminable Annuities	49,218,000
Other Capital Liabilities	3,685,000
Total	£652,026,000

Strictly speaking, the obligation is confined to the payment of a quarterly annuity. The principal cannot be demanded, although the Government can repay it on certain notice. If the holder wishes to realise, all that he can do is to sell to another, and then execute a form of transfer. Being readily marketable, great facilities are furnished to investors. But the gradual reduction of the National Debt, and the holdings by various Government departments, to the extent of £192,217,893, and by banks, insurance companies, trustees, and others, with the state of the Money Market, have tended to enhance the price of Consols. The average from 1851 to 1880, during which the fluctuations were slight, was 90⅜. Then they reached par, but again sunk when the interest was reduced in 1887. For some time they ranged at 105–107, but on February 27, 1896, they rose to 109⅞ as the actual selling price, and on June 1 to 113⅞. The price is affected by the state of home and foreign politics, by the harvest, by commerce, and manufactures. It also serves as a barometer of the degree of national prosperity, and of confidence in the Government of the day. The prices and the mean yield during the last forty-six years are given in Appendix C.

CHAPTER XXII.

BANKS.

THE Bank of England, as stated in the last Chapter, was incorporated in 1694. A charter was granted for eleven years, and it has been renewed fifteen times, under varying conditions. The last was in 1844. Exclusive privileges were conceded, and no other joint-stock bank was allowed in the country until 1826, and then only beyond a radius of sixty-five miles from London. Even now the Bank has the sole right to issue notes in London. Any country bank possessing the privilege forfeits it on opening an office in the metropolis.

In May, 1844, Sir Robert Peel introduced a measure into the House of Commons for the better regulation of the affairs of the Bank of England, and of banking business generally. In doing so he propounded his famous financial conundrum, "What is the signification of that word 'pound,' with which we are all familiar?" He entered at considerable length into an examination of various theories as to the standard of value, and avowed himself in favour of retaining the existing gold standard. He proposed, and the Legislature agreed, that in future the business of the Bank should be separated into two distinct departments —one for the issue of notes, and the other for ordinary banking transactions. The former was to be based on the possession of a definite amount of public securities, and on bullion; notes not being allowed to be issued on deposits and on discounted bills. The fixed amount of securities was to be £14,000,000; while of the remainder the note circulation was to be exclusively on the bullion in stock. The periodical publication of accounts was ordered.

The design of the Act of 1844 was to prevent the issue of notes beyond a certain amount, unless against an equal amount of gold held by the issuing bank, so that the mixed currency of notes and coin might automatically expand or contract. Experience has shown, however that when a foreign drain of gold occurs the quantity exported is taken chiefly from reserves in the Bank of England, and that the amount of the notes in the hands of the public has not been seriously affected by the Act of 1844. Practically, when there are signs of a foreign drain, and the reserve is diminishing, the Bank counteracts the danger by raising the rate of discount and by restricting its loans. The purchasing power of the public is thereby limited, prices are kept down, and at the same time gold is attracted to this country for investments. The currency in circulation is not really interfered with.

The annual sum payable by the Bank for its exclusive privileges is now £180,000. All profit from the increase in the issue of notes beyond £14,000,000 is directed to go into the Exchequer. By the Act of 1892 the remuneration payable to the Bank for the management of the National Debt is a yearly sum at the rate of £325 per million of the debt, up to five hundred, and of £100 for every million beyond. The arrangement holds until the year 1912, and thereafter as Parliament shall direct; but the total amount is not to be less than £160,000. A sum of £100 per million is paid for the management of Exchequer Bonds and Bills, and £200 per million for Treasury Bills, on the amount outstanding on the last day of the preceding financial year.

The profit derived by the Bank upon its issue department is the interest of 3 per cent. on the £14,000,000 of Government debt and securities, less £120,000 paid for its exclusive privileges, and £60,000 in lieu of stamp duties. The net yearly profit is about half a million, and in addition there is a profit of £30,000 to £40,000 upon bullion, which the Bank is bound to purchase whenever offered at £3 17s. 9d. per ounce. For the management of the National Debt the Government pays nearly a quarter of a million annually, and the remaining profits of the establishment are derived from the use of the Bank capital, and of deposits by customers, on which no interest is given.

The Bank also transacts private business, but this department has to be kept distinct, and its interests are somewhat antagonistic to those of the other branch. The Bank Stock, belonging to the proprietors, is now £14,553,000, and the "Rest," or surplus funds, necessarily varying from week to week, about £3,500,000. Its stock is regarded as one of the best investments. The earnings correspond with the rates of discount, which are regulated by the state of trade and of the Money Market. It is natural that the proprietors should desire even a better return, as they cast longing eyes upon the much larger dividends of other banks. In 1844 the dividend was 7 per cent. and the price of Bank Stock was 212. It is now from 336 to 340, and the rate in 1895 was 8¼ per cent. Details are given in Appendix C.

In the same period London and Westminster

Bank shares, in spite of a doubling of the capital, have risen from 27 to 51, while the dividend has increased from 6 to 10 per cent. One explanation is that whereas this bank has only 13 per cent. of its liabilities lying idle, the Bank of England has over 40 per cent. The creation of joint-stock banks in London arose from a discovery that the Bank Charter Act did not really prohibit such institutions being formed to carry on business on the lines adopted by private banks. The only exclusive privilege was the issue of notes payable on demand, but there was no monopoly granted for receiving deposits. In the olden time, when the Charter was first framed, banking referred exclusively to the issue of notes. Deposits were scarcely known. Goldsmiths had acted as bankers, and they were accustomed to deposit surplus coin and bullion in the Exchequer, the arbitrary closing of which by the Government in 1673 caused wide-spread ruin, and deranged trade and credit for many years.

The Bank Act of 1833 contained a new clause, permitting joint-stock banks—which had existed in the provinces since 1826—to be formed in London, provided they did not issue notes; but for some years legal technicalities arose as to the acceptance of bills, the power to sue for debts, and similar questions, which constantly embarrassed the operations. The London and Westminster was the first joint-stock bank founded in London, in 1834. Its great success speedily led to the formation of the London Joint-Stock Bank, the Union Bank of London, the London and County, the National Provincial, and others. The dividends of the best range from 10 to 20 per cent., but then the market price of the shares, even with the unpaid capital involved, is proportionately high (see Appendix E).

Bank securities are naturally regarded as being among the best. Since the passing of Leeman's Act every seller of bank shares must supply the numbers of those he is disposing of. Reckless advances, fraud, and misappropriation, as in the notorious case of the Royal British Bank in 1856, or that of Strahan, Paul, and Bates, in 1855, are the chief dangers of banking. Sudden crises in finance and trade have to be guarded against by means of a judicious reserve, securely invested and easy of realisation. Few persons possess the philosophy of the man who, being asked on the failure of his bank, "Were you not upset?" replied, "No! I only lost my balance."

The liabilities on deposits and on current accounts are shown in the following instances, taken from the reports of 1895; the aggregate deposits in banks that publish accounts being upwards of £700,000,000 :—

National Provincial Bank	£45,889,744
London and County	38,202,824
London and Westminster	28,226,890
Lloyd's	28,786,096
London Joint Stock	16,760,060
Union of London	16,099,945
Capital and Counties	14,567,805

The total capital held by the banks in the country who publish accounts may be stated in round figures as follows [1] :—

	CAPITAL.		RESERVE.
Bank of England ...	£14,553,000	...	£ 3,000,000
English Banks	56,077,000	...	26,190,200
Scotch Banks	9,302,000	...	5,745,600
Irish Banks	7,109,000	...	3,115,300
	£87,041,000		£38,051,100
Total	£125,092,100		

Allowing for the banks which do not publish accounts, the estimated total capital is brought up to £190,024,717, of which the capital actually paid, according to Burdett, is £61,279,484. The main increase, about forty millions, during the last twenty years has been in England and Wales. The increase in Scotland, amounting to about a million and a half, has been confined to the Reserve Funds. The Bank of England has about £25,000,000 of notes in circulation, country joint-stock and private

[1] *Bankers' Magazine*, January, 1896.

banks have about four millions, and the Scotch and Irish banks together nearly fourteen millions.

The position of the Bank of England with respect to specie reserve, though somewhat improved when contrasted with 1876, is not nearly so strong as compared with other countries, where similar institutions have made greater advances. This will appear from the following statement[1] :—

BANK OF ENGLAND.

Reserve of Notes and Coin.

1876	£19,200,000	1895	£31,500,000

BANK OF FRANCE.

Coin and Bullion.

1876	£85,600,000	1895 (Gold)	£78,300,000
		,, (Silver)	£49,200,000
		Total	£127,500,000

IMPERIAL BANK OF GERMANY.

Coin and Bullion.

1876	£24,500,000	1895	£45,600,000

NEW YORK ASSOCIATED BANKS.

1876.		1895.	
Specie	£3,600,000	Specie	£12,800,000
Legal Tenders ...	8,500,000	Legal Tenders	17,200,000
Total	£12,100,000	Total	£30,000,000

[1] *Bankers' Magazine*, January, 1896.

The above increase shows that the Bank of England is a little stronger, but that while banks in other countries have felt the necessity of improving their position, it has not done so in the same proportion. It cannot be denied that an adequate specie reserve, which is the first requirement of business security, is not maintained, or that in proportion to the banking liabilities of the country the reserve is smaller now than it was twenty years ago.

As Bagehot points out, and as Sir R. Giffen confirms, the cash reserve of a banker is the condition of his solvency. If all depositors and holders of notes demanded their cash at once, they could not be paid. A banker has to keep enough in hand for current demands, and also a reserve for emergencies. Practically, however, the ultimate resource is in the Bank of England, which dominates not only other banks, but has many foreign connections. The latter, and provincial banks generally, have London agencies, usually the leading joint stock and private banks, which in their turn keep deposits with the discount houses, the bill brokers, and the Bank of England. Thus one bank leans on another, and the final result, as was shown in the sixth and the eighteenth Chapters, is that the main reserve is kept by the Bank of England only.

CHAPTER XXIII.

INDIAN SECURITIES.

FEW persons have any idea of the extent, the area, and the population of British India, and of the native States under British protection. According to the Census of 1891 the area in square miles was 1,560,160. The number of towns and villages was 717,549. Houses occupied, including, of course, large numbers of frail constructions, were 52,932,102. The total population was given at 287,223,431; being 184 to the square mile.

The British Empire in India extends over a territory larger than the Continent of Europe, excluding Russia. In addition, there are vast tracts on the North-Western and North-Eastern frontiers which are under the political influence, though not under the administrative rule, of the Indian Government. Its actual barrier extends from Persia along the Russian territory as far as the Oxus; thence by the Panjah branch to Victoria Lake, and up to the line of Chinese territory as defined in 1895; from which it passes along the crest of the Himalayas to Siam, and half way down to the Malay Peninsula.

Continental India, including Baluchistan, reaches from the 8th to the 87th degree of North Latitude, and from the 61st to the 100th degree of Longitude. In addition, the great province of Burmah was annexed to the Asiatic dominions in 1886. The whole comprise a territory compared with which the ancient Mogul Empire fades away into insignificance. Most of this has been acquired within the present century. Since the Indian Mutiny, in 1857, the supreme control of affairs is invested in the Secretary of State for India in Council, who is always a member of the English Government.

For upwards of a century prior to 1750 the English and French, the Dutch and Portuguese had been carrying on, with varying but slight success, a trade with India. There were mutual jealousies and rivalries and frequent collisions with native rulers. The English had been barely tolerated in 1640 in founding a settlement in Madras. By the middle of the next century they became formidable. Clive, Warren Hastings, and other capable and daring men had the courage to undertake responsibilities from which weaker men would have shrunk.

In the dispute with the French, which was brought to a crisis by the great game of political chess played between Clive and Dupleix, the determining factor was England's supremacy on the sea, which rendered her ultimate conquest of India not only possible but certain. In this way was determined the question whether France or England was to rule India. Possibilities were opened up, such as not even the most adventurous and far-seeing could have anticipated, of a sovereignty or a protectorate embracing within about a century more than one-fourth of the human race.

The great trading corporation, so long known as the East India Company, was established in 1702 by an amalgamation of two existing chartered bodies dating back to the time of Queen Elizabeth. Ere long it wielded sovereign authority. It set up and dethroned princes; made peace and war; levied vast taxes, and exercised a commercial monopoly which no private persons could break down. Successive charters were granted, conferring additional powers; always in return for valuable consideration, and reserving a control to the English Government.

The gross revenue in India during the year 1893-4, the last for which the returns are available, was £90,246,041, chiefly derived from the land, from taxes on opium and salt, and receipts from railways. These comprise 19,678 miles, three-fourths of which are State lines owned by the Government. There are also four guaranteed companies, like the Great Indian Peninsula, with a mileage of 2587, and a small number of assisted companies. The native States, which retain a certain amount of independence, have also 1560 miles. The grand total of passengers conveyed on all the systems during the year 1895 was 144,826,387, and the quantity of goods and minerals 32,531,337 tons. 5789 miles were also sanctioned.

The aggregate receipts from all sources were £26,236,906; the working expenses being 46·19 per cent. The total capital raised by the railway companies to the end of the year 1895 was £114,701,259. The companies pay into the Treasury the net receipts, and if these do not suffice the amount required is made up from the public revenue. Any profits in excess are paid to the stock-holders, after refunding any advances made in previous years by the Government, which has six months' option of purchase on the expiration of a lease, on the average price of the stock for three years. No competing lines are allowed, and those constructed are under rigid supervision, both in building and in working. They are essential for the rapid transit of troops and materials of war, and this was the principal reason for the State guarantee in such a vast territory, where 287 millions of people are governed by a mere handful of English administrators.

Indian railways are safe investments, and pay a fair rate of interest. The general prospects are good. Rich and productive districts have been opened up for the cultivation of grain, tea, coffee, chincona, jute, cotton, silk, and other valuable products. China used to supply us with tea. In 1872, the imports thence were 122,000,000 lbs. In 1895, they were only 31,500,000 lbs. India now grows sixfold the quantity. Its annual exports exceed 190,000,000 lbs. A few years ago but little corn was raised in India for export, but a large portion of the staple supply of food now comes to England from her Eastern possessions. The abundant supply of cheap labour, and the prolific tropical growth, have largely supplanted Russia and the United States as the sources of England's supply of cereals.

India is now our principal market. The imports from England of such articles as manufactured textile goods, metals, machinery, salt, beer, &c., amounted, by the last returns, to £62,000,000, and the exports to £110,472,327 ; one-third being raw cotton and seeds. The India Public Debt, now amounting to £200,000,000, and largely held in this country, has been incurred partly for war expenses, but chiefly by the large outlay on public works, such as roads and water supply and storage. Irrigation works alone have cost £29,721,634. The country has been greatly benefited, and the money is reproductive. The interest is charged upon revenue. Indian Government securities are deemed as safe as Consols, and they yield a better return. The debt is managed and the dividends are paid by the Bank of England. Of a widely different order are the numerous tea and coffee plantations in India and Ceylon that have been brought forward of late years under the guise of limited companies. To those who are thinking of investing in the great majority of such ventures may be applied the immortal advice given by *Punch* to persons about to marry—" Don't."

CHAPTER XXIV.

BRITISH COLONIES.

OUR Colonies have experienced great and rapid alternations. Of late, disaster has been more marked than prosperity. Fatal mistakes in the methods of settlement, in the convict system, in land and labour troubles, in sending unsuitable emigrants, and in reckless trading and borrowing, have borne their certain fruit. If Lord Bacon's sage advice, given at the time when "Plantations," as they were called, began to be formed across the Atlantic, had been followed, much subsequent trouble and disaster might have been avoided. He wrote: "It is a shameful and unblessed thing to take the scum of people, and wicked, condemned men, to be the people with whom you plant. Not only so, but it spoileth the Plantation, for they will ever live like rogues, and not fall to work, but be lazy, and do mischief, and spend victuals, and be quickly weary; and then certify over to their country to the discredit of the Plantation. The people wherewith you plant ought to be gardeners, ploughmen, labourers, smiths, carpenters, miners, fishermen, fowlers; with some few apothecaries, surgeons, cooks, and bakers."[1]

This wise counsel was disregarded. Even so late as the settlement of Australia the things were done from which Bacon dissuaded; and hence the calamities occurred which he foretold. He added, "Let there be freedom from Customs, till the Plantation be of strength; and freedom to carry their commodities where they may make the best of them, except there be some special cause of caution. Cram not in people by sending in too fast company after company; but rather hearken how they waste, and send supplies proportionably, but so as the number may live well, and not by surcharge be in penury. When the Plantation grows to strength, then it is time to plant with women as well as with men, that it may spread into generations, and not be ever pieced from without."[2]

Australasia, that is Australia, or Southern Asia, comprises the great island continent of that name, with New Zealand and Tasmania, and a vast number of smaller islands in the Southern hemisphere, together with a portion of New Guinea. The whole of the British possessions in this scattered area are estimated to contain $3\frac{1}{4}$ millions of square

[1] *Essay* No. 34. [2] *Essay* No. 34.

miles. Portions of the coast on the north-west and south of the main continent were sighted by the Dutch, the Spaniards, and the English at different times, but no attempt was made to explore or settle it. Practically it was made known to the world by Captain James Cook in 1770.

The first British settlement was formed in 1788 at Port Jackson, now called Sydney. William Dampier, in the course of his voyage round the world, from 1684 to 1690, visited Australia and New Guinea, and gave his name to the Dampier Archipelago and Strait. The only use to which the continent was put by England for many years was as a penal settlement, with which the name of Botany Bay will always be dismally associated. Captain George Vancouver afterwards discovered the island that bears his name; and this led to the eventual acquisition of the vast territory of British Columbia. The Spanish monopoly of the Pacific was finally broken, after an existence, almost unchallenged, of nearly three centuries.

Across the Atlantic the French occupation of Canada for a century and a half had been more in the nature of a military post than of a colonial and commercial dependency. The French movements in Canada were always viewed with dislike by the English settlers in New England and in Virginia.

The feeling was intensified when the French aimed to establish a connection between the basins of the St. Lawrence and the Mississippi, by the great intermediate lakes and waters lying to the west of the British possessions. Local collisions had frequently occurred long before Sir James Wolfe was sent in 1759 to lay siege to Quebec, where "he fell upon the lap of smiling Victory." His achievement led to the surrender of the whole territory to England by the Treaty of Paris, February 10, 1763.

In this way England took a leading place among European people. She had already given birth to two nations, in America and in India, destined to become mighty empires such as the world had never seen, not even in the palmy days of Egypt or Persia, of Greece or Rome. She was also destined, ere long, to call into being other settlements in Africa and in Australia, constituting, with older and later dependencies, the Greater Britain on which the sun never sets.

The Dominion of Canada includes the various provinces of North America, formerly known as Upper and Lower Canada, New Brunswick, Nova Scotia, Prince Edward Island, British Columbia, Manitoba, and the North-West Territories. Newfoundland and Labrador alone remain outside. This territory, nearly as large as Europe, stretches from the Atlantic to the Pacific, and contains a total area of nearly 3½ millions of square miles, exclusive of the great lakes and rivers. Canada and Newfoundland have a population of 5,031,073. The gross revenue is £7,816,138, of which Customs yielded £4,257,189. The total value of imports is £26,864,217, and the exports £25,359,622. The public debt is £62,258,461.

The interior of the vast continent of Australia had been heroically explored since 1813 by men like Wentworth, Mitchell, Lander, and Burke. A thin and scattered fringe of settlements was formed around the coast; imaginary and arbitrary lines dividing what are now known as the separate colonies. New South Wales was the generic name given by Cook to the whole of the vast continent. South Australia was established in 1834; Victoria, formerly called Port Phillip, in 1851; and Queensland in 1859. Van Diemen's Land, or Tasmania, was settled by Englishmen in 1825, and New Zealand in 1841. The island of Fiji was annexed in 1874.

Within a decade after the discovery of gold in Australia, in 1851, quantities of no less value than £960,000,000 reached England from New South Wales and Victoria. Seventeen years later a similar excitement attended the discovery of diamonds in

Cape Colony. In course of time things found their natural level. Trade and industry reaped the chief share of the benefit, and the community found the advantage in a diffusion of wealth that assisted the development of the colonies.

The population of the Australian Colonies at the end of 1894 was given at 4,149,084, and their gross public revenue at £27,969,108; of which Customs yielded £7,822,208. The value of imports for the year was £48,817,685, and of the exports £62,900,055. The public debt exceeded £200,000,000. In addition, there were Treasury and Deficiency balances outstanding to the amount of nearly £10,000,000.

For a time Colonial Securities were in great request, and some of them are still deservedly popular. But it cannot be denied that certain colonies have borrowed recklessly, far beyond their financial strength. In a natural desire to construct railways, harbours, and docks; to lay out towns and cities; to provide drainage, lighting, and water supply; and to open up the resources of the interior, they have attempted too much within the time, and have undertaken extensive works that ought to have been spread over a lengthened period. These remarks apply not only to the obligations of particular colonies, as a whole, but to certain cities and towns which have incurred heavy debts. So long as English investors were willing to provide the money, so long was there a disposition to borrow; and it is to be feared that sufficient heed was not given to the inevitable day of reckoning.

This applies especially to New Zealand and to the two great railways that traverse the Dominion of Canada. Both the Grand Trunk and the Canadian Pacific must be regarded as speculative lines. What they may become in the future cannot be predicted. The original shareholders in the former have long since lost the whole of their money, and the line, which was essentially a contractor's line, has had to be reconstructed from time to time, so badly was it built and equipped. No less a sum than £32,000,000, chiefly of English capital, has been embarked, and for the most part hopelessly sunk, in the Grand Trunk and its associated lines, which are comparable, as a bottomless pit, to the Erie and the Philadelphia and Reading roads.

The proposal to construct a line of nearly 3000 miles, mainly through a desolate and unprofitable region, with the scandalous political jobbery connected with the transaction, involved the downfall of the Macdonald Ministry in 1873. The public memory is proverbially short, and, seven years later, the project was revived by the restored Cabinet, and glowing pictures were drawn of the vast wealth which the line was expected to develop and of the commercial and political future that awaited the country. The measure was forced through, in the face of strenuous opposition, and by means, as was alleged, of unscrupulous bribery and of lavish promises.

As finally settled, the terms on which the Canadian Pacific was constructed were onerous for the Dominion; but everything is there done on a reckless scale, for political reasons and ends. The Company received a free gift of £500,000, of 713 miles of completed road, and of 25,000,000 acres of land, free of taxation for twenty years. All materials were admitted duty-free. The Company had absolute control in fixing rates and charges until a 10 per cent. dividend was paid, and no competitive line was to be sanctioned for twenty years. The results have been unsatisfactory from an investing point of view, whatever gains may sometimes have accrued to the promoters and to professional politicians.

Perhaps one through railway is more than Canada requires, or is likely to require for a long time to come. Its entire population is not five millions, scattered over an area extending 3300 miles from the Atlantic to the Pacific, and numbers of emigrants—perhaps a majority—continually cross the border into the United States. Omitting Montreal, Toronto, Hamilton, London, and a few other cities, and a dwindling place like Quebec, there are none of any size or importance, and the agricultural and mineral resources are checked by six months of severe winter.

South Africa was colonized after the middle of the present century to a much greater extent than formerly. Cape Town had been ceded to England by the Dutch in 1814, and new settlements were established at Natal and elsewhere in 1843. The centre of the vast continent was supposed for ages to be a trackless desert. Many intrepid explorers were foiled in attempts to penetrate into the interior, until, in 1849, David Livingstone opened up a way into the Dark Unknown, revealing populous regions teeming with natural resources. Later discoverers have completed the task which Livingstone set himself to accomplish, and there has been in recent years a scramble among the English, French, Belgians, Germans, Italians, and Portuguese for the apportionment of the coast line, giving access to the hitherto unsuspected wealth of Central Africa with such of the interior as can be seized and held.

The two leading groups of British colonies in

Africa consist of those on the west coast near the Equator, and those in the southern extremity, which alone are adapted for European settlement. The latter comprise Cape Colony, Natal, Bechuanaland, Basutoland, and Zululand. These partially surround the two Dutch-speaking republics, the Transvaal and the Orange Free State, with certain dependent native territories, and the South African protectorates of Germany and Portugal. Besides the above-named colonies large portions of territory are under British protection, such as those of the Royal Niger Company, the British South Africa Company and others. The total area of these colonies, excluding the protected territories, is more than 300,000 square miles, and the white population is about 330,000.

Considering that four hundred years have elapsed since Bartholomew Diaz and Vasco da Gama first doubled the Cape of Good Hope, it is somewhat surprising that the European Settlements along the South African coast have not much more rapidly increased. The African Colonies, including the West Coast Settlements, had a population in 1894 of 3,871,721. Their united public revenue was £4,909,032, of which £1,979,364 were derived from Customs. The imports amounted to £16,245,691, and the exports to £17,887,130. The Public Debt, so far as it can be given—returns from some smaller settlements, like the Gold Coast and St. Helena, being missing—was £36,000,000.

Other colonial settlements, like the West Indies, the Windward and Leeward Islands, British Guiana, &c., have a population of 1,635,472, with a gross public expenditure of £232,309, about one-half of which was derived from Customs. The total imports were £9,851,156, and the exports £9,353,570. The Public Debt stood at a little more than £4,000,000.

CHAPTER XXV.

RAILWAYS AND TRAMWAYS.

ENGINEERS like Telford and Rennie did much at the beginning of this century to open up communications and to facilitate traffic by the great roads which they constructed. From 1760 to 1773 no fewer than 452 Acts of Parliament authorized the making or the improvement of roads, which led to an amount of travelling hitherto unknown. The name of Macadam is associated with a later method of using broken granite, pressed so as to cohere. James Brindley, aided by the far-seeing Duke of Bridgewater, developed the system of navigable canals. Other great works of public utility were constructed in the closing decades of the last century. New Titanic forces, undreamed of years before, were employed to assist the growing manufacturing industries which made England for generations the workshop of the world.

The first Act of Parliament for the construction of a railway was that of the Surrey Iron Railway

Company in 1801, for a line of six miles from Croydon to Wandsworth, so as to make connection for goods with the river Thames. The development of the iron trade in the North of England, and inventions by William Symington, William Murdoch, James Watt, Richard Trevethick, Stephenson, and others, in the direction of a workable locomotive, led to the rise of the great railway system in the pioneer Stockton and Darlington line, which was opened September 27, 1825. This was followed by the Liverpool and Manchester line, five years later, and by the one from London to Birmingham in 1838. Then set in the era of railway extension and development, with which every intelligent reader is acquainted.

Until the middle of 1836 few railway undertakings had been projected since 1825, but a host of proposals then appeared for lines to almost every part of the country. The wildest schemes were freely entertained. One projector proposed sails to propel his engine. Another offered to use rockets, and confidently promised a speed of one hundred miles an hour. Railways to carry invalids to bed were advertized. A safety railway out of reach of injury was proposed. With the excitement there was a sudden rise in the shares of existing companies. Scrip in the greater number of the new projects speedily commanded a premium, usually fictitious. The time of reaction soon arrived. Money became scarce. The eyes of the public were opened to their folly, and shares of every description fell.

A panic occurred in the City. The Bank rate of discount was raised to 5 per cent., and interest on Exchequer Bills was from 1½d. to 2½d. per day, yet they fell to 10 per cent. discount. Consols fell to 89⅜. Merchants of high character, who were known to be more than solvent, could neither sell the goods which crowded their warehouses, nor discount their bills. Many great houses were brought to the brink of ruin, and not a few sank beneath the struggle. Half the cotton mills of the country were closed, and the skilled operatives suffered much distress. Notwithstanding all this, the country was seized with another and a worse mania of the same kind ten years later, and recovered from it only after more aggravated sufferings had been endured. A few keen and clever men made immense fortunes, and more netted thousands by knowing when to sell ; but the majority, as was inevitable, were plunged into grievous loss or utter ruin.

Railways hold on land the same relative position as ships on the sea, and exercise a powerful influence on trade and prices. In 1850 the total mileage in Great Britain was only 6621, and in the whole world 24,487. Now, in the former case, the railways opened and at work have a reported mileage of 20,908. The ordinary paid-up capital is £360,086,684, and the guaranteed, preferential, and loan and debenture stock £625,300,671. The number of passengers conveyed, exclusive of season-ticket holders, during the year was 911,412,926. The weight of goods and minerals conveyed was 324,457,633 tons; the gross receipts from them were £43,379,078, and from passenger traffic £36,495,488, or an average from both sources of £3820 per mile of line open. The working expenditure was £47,208,313, or 56 per cent.; the chief part being in the form of wages. Upwards of 350,000 men are directly employed. Adding those employed indirectly, half a million are dependent for a livelihood on railway enterprise. In 1850 the ordinary cost of land-carriage for goods was £3 per ton for 100 miles, or six times the present amount.

Railways are among the soundest investments. The excitement, waste, and recklessness that marked the mania of 1845–6 have long since given place to careful working and judicious management. Profits depend on the prosperity of the country, on the state of trade, on the cost of fuel, on the weather, and on the absence of accidents and of strikes. Weekly traffic reports enable an approximate calculation to be made of actual earnings and of prospective dividends. Some lines come to be regarded as favourites because of prudent management, or economical working, or immunity from accidents. The North-Western attained its present high credit, in part, from a belief, widely diffused, in the rigour of the auditing, whereby numerous items of expense were charged to revenue instead of to capital. A general opinion that any stock is well thought of enhances its reputation and its value.

According to a return issued in January, 1896, the length of 195 tramway lines open is 982, the paid-up capital £9,112,094, and loans and debentures £5,000,479. Only seven miles were added during the previous year. The number of passengers conveyed was 661,972,830; the gross receipts were £3,733,690, and the working expenses £2,878,490. The excessive cost and "loading" of some of the earlier tramways, preventing a profitable return upon a fictitious capital, and often ending in bankruptcy, and the smirched character of many of the promoters, have created a strong prejudice. Yet many persons deal in them largely, and with satisfactory results. Care should be exercised in the selection, for it is easy to make fatal mistakes in the choice.

CHAPTER XXVI.

MINES.

FROM the time of the great discoveries by the Spaniards of gold and silver in South America hope and cupidity have been eager to share in what seemed to be fabulous wealth. The comedy of *Eastward Hoe!* first performed in 1605, and ascribed to the joint authorship of Ben Jonson, George Chapman, and John Marston, expresses the popular opinion then cherished as to the supposed wealth of Virginia, as the vast, unknown region beyond the Atlantic was termed: "Gold is more plentiful there than copper is with us. All their dripping-pans and pots are pure gold . . . and as for rubies and diamonds, they go forth on holidays and gather them by the sea-shore." The covetous hunger after wealth, aroused by such rumours, is also shown in Michael Drayton's spirited *Ode to the Virginian Voyage*, and in Ben Jonson's *Alchemist*.[1]

Iron and steel manufactures rapidly developed

[1] Act ii. scene i.

under new and improved mercantile appliances. The first iron bridge on a large scale was erected in 1776 over the Severn at Coalbrookdale. In 1802, 168 blast furnaces were at work, producing annually 170,000 tons. Steam was also applied to the drainage of mines, and to the raising of their produce to the surface, and this, combined with improved methods of constructing the working galleries, and providing effectual ventilation, gave a great impetus to this important branch of industry. In 1762 only 570,774 chaldrons of coal were brought to London. The quantity increased by 1785 to 675,995. The last return, for 1894, gives 188,277,525 tons raised in the United Kingdom, valued at £62,730,179. The number of persons employed in mining was 739,097, of whom 589,689 worked underground; 559,824 being engaged in coal mines. The quantity of salt raised was 2,236,000 tons, valued at £763,629.

Metals were produced from British ores during the year in the following quantities: pig iron, 7,427,342 tons; fine copper, 446 tons; metallic lead, 29,687 tons; white tin, 8327 tons; zinc, 8133 tons; and silver from lead, 275,696 tons. The estimated value of the whole at the places of production was £80,900,453. Home coal and iron, though representing a large industry and an enormous capital, make an unsatisfactory show when judged by results, owing to competition, strikes, royalties, and heavy fixed expenses. Risks and speculations abound. Successful coal and iron companies are few, and failures are numerous and sericus.

Land and exploration companies, especially in South Africa, look for valuable results from selling or leasing some of their extensive mineral properties. The prospects are good, remembering the great wealth of the Transvaal and other districts. The Kimberley Diamond Fields have become famous for their riches, but this branch of mining is fickle, owing to the caprices of fashion, and the constant risk of outbreaks from local jealousies and rivalries, and is highly speculative. Moreover, the enormous "loading" of some of the concessions has created a fictitious paper capital, that is perpetually being thrown on the market.

Mining shares therefore require caution, as the notorious and disgraceful case of the Emma Mine demonstrates; but, with good judgment, large profits can be made, notwithstanding Bacon's caution, "Moil not too much underground, for the hope of mines is very uncertain."[1] Indeed, they offer greater opportunities than any other kind of investment. The Richmond Mine produced in

[1] *Essay on Plantations.*

twenty years 83,183 tons of lead, 15 tons of gold, and 460 tons of silver; the total worth exceeding five millions, and £915,502 was paid in dividends. £5 shares sold at £16. Other mines have done as well, or better. Many that pay no dividends are yet in a sound and hopeful state, though not sufficiently developed to yield present returns. Shares are bought and held for a time, with a view to probable value, or in order to watch the market for a rise, which is certain to occur as soon as there is a prospect of dividends. Values are then often doubled or quadrupled.

West Australia presents possibilities on which even a sober forecast would be thought by some to be extravagant. The aggregate nominal capital of companies formed in connection with mining, financing, and a few subsidiary concerns, is a little over forty-six millions within two years. A growing interest is being taken in this market, which bids fair to become a leading market for speculators. It is impossible at present to say how many of the swarm of new undertakings will prove to be successful, until something more definite is known of the actual returns. In certain cases rich results have been indicated, and undoubtedly some will prove to be large prizes. The output of gold is growing. In 1895, according to official returns, it reached 231,512 oz., valued at £880,000.

CHAPTER XXVII.

CORPORATION STOCKS.

LOANS for municipal purposes are extensively dealt in. Raised for such objects as paving, drainage, lighting, and water upply, the payment of principal and interest is secured on the rates, and is usually deemed safe. The amount of such debts in the United Kingdom is £106,141,632. The chief stocks are those of the City Corporation, of the London County Council, and of places like Manchester, Liverpool, Birmingham, Glasgow, &c. Most of them, at existing prices, yield only about $2\frac{1}{2}$-$\frac{3}{4}$ per cent., and the fluctuations in price are inconsiderable. In buying, notice should be taken of the time of redemption, lest the purchaser loses any premium he may have paid. So far as the imperfect data exist, down to the year 1893, and not including the whole indebtedness of the kind in Scotland and Ireland, for which there are not complete returns, a sum of £240,000,000 has been borrowed by Municipalities and by Local Boards of

Health, Boards of Guardians, School Boards, and other authorities, for various purposes.

The Public Works Loan Commissioners issued a circular in December, 1895, to various local bodies who made application to be allowed to repay loans before the time agreed upon. The London School Board, for instance, asked for leave to repay about three millions, and a like amount was offered by various local authorities. The Treasury department intervened to forbid the arrangement, although heretofore it has been the practice to accept repayment without question. The reason assigned for the refusal was that, although the practice worked well enough when the amounts were comparatively small, it could not be allowed to an extent of six millions at one time. It was apprehended that other local authorities might apply to repay the loans which they have obtained from the Treasury, amounting in all to nearly twenty-two millions. It was said that such a contingency would destroy the solvency of the Public Works Loan Board, and would impose a heavy and unjust burden upon the taxpayers.

There is, however, another side to the whole question. From the point of view of the borrower, the application was natural and reasonable. With a glut of money, Local Boards, School Boards.

Sanitary Authorities, and others, can go into the open market and borrow money more cheaply than they can from the Commissioners. It would be possible, therefore, to pay off their indebtedness to the Government, and at the same time to diminish the annual charge for the benefit of the ratepayers. But they are also taxpayers for Imperial purposes, and in that capacity it is said by the Treasury that their interests must be studied.

The Local Loans Stock, amounting to £40,953,768, by means of which money has been raised and advanced to local authorities, bears interest at the rate of 3 per cent. It was created under the National Debt and Local Loans Act, 1887, at a time when high-class securities were much lower in price. The stock is now quoted at the large premium of nearly 11 per cent., and is not repayable until 1912. It was urged therefore by the Treasury that large repayments on account of loans could not be employed in cancelling the stock, except on terms which would involve the ultimate insolvency of the capital account; for every million received in repayment would cancel only £900,000, because of the above premium.

The only other way of investing the money would be in Consols, which at their present price yield about ½ per cent. less than the average interest earned by loans to local authorities. The Treasury therefore decided that, in future, applications to repay local loans in advance shall be complied with on three conditions: firstly, that three months' notice be given; secondly, that the applicants agree to repay at such times and in such instalments as the Treasury require, after consulting with the National Debt Commissioners; and thirdly, that for every £100 outstanding on the loan account, such sum shall be repaid as may be certified to be equivalent to the price at which £100 of Local Loans Stock can be purchased.

Of course, looking at the matter from the departmental point of view, nothing can be said against the substantial justice of the decision, but there is a much wider question. Why should the Government enter into competition with the great body of the investing public? The leading municipal corporations of the country experience no difficulty in raising loans at a reasonable rate of interest. Usually the amount required is subscribed several times over. Thousands of persons are always to be found ready to invest their money in perfectly safe securities of this kind that are easily negotiable. A recent illustration is furnished by the issue, in March, 1896, of £71,854 Ipswich Corporation Three per Cent. Redeemable Stock. The tenders for it amounted to £933,966, and applicants at

£110 6s. 6d. only received about 4 per cent. of what they applied for. Allotments in full were not made below £111 10s., and £10,000 was subcribed as high as £112 11s. 6d.

The Treasury can only enter into competition by means of money raised in a similar way; but there is no necessity for a great Government department to become an intermediary between the local authorities and the investing public. The latter are quite competent to manage their own affairs, and the former are precluded from borrowing in excess of their rateable security. In all matters of finance, commerce, and industry, the less there is of Government interference the better. Affairs of this kind can be far more easily and advantageously carried on in the open market, and the prices of emission will always be regulated by the current value of money.

A cognate objection arises in connection with the Post Office Savings Bank. The Post Office does for the nation what no individual could possibly do for himself in the transmission and delivery of letters and papers. It has added other functions, and undertaken other duties, professedly in the public interest, but chiefly with an eye to larger profits, so as to hand over a greater surplus to the Exchequer by means of indirect and unnoticed taxation. The gross receipts from the Post Office and the Telegraphs, according to the last returns, were £13,340,000, out of which a profit of £3,070,000 was paid into the Exchequer.

The action of the Post Office with regard to the telephones was characterized by what would be styled sharp practice if perpetrated by private individuals. In 1869 the telegraphs were acquired on extravagant terms, at a cost exceeding ten millions. At that time the telephone was not invented or dreamed of, but a general clause was inserted in the Act, which the Courts held, when the question was raised in 1880, to constitute an absolute monopoly for the Post Office, not only of methods existing at the time of the passing of the Act, but of any others since devised, or to be devised, in connection with telegraphy by means of electric wires, including all such inventions as the phonograph, the telephone, and the photophone. The case was decided on a mere technicality, and on a stringent verbal construction of a comprehensive clause in the Act.

The Telephone Companies were driven into an arrangement to pay a royalty to the Post Office, and the cost was thereby greatly enhanced. Whether it will lessen through the Post Office taking over the trunk lines, April 4, 1896, remains to be seen. What has been for many years a necessity in America, used at reasonable rates, is a costly luxury in England, owing to the toll levied by the Post Office. Many more business houses, and probably ten times the number of dwelling-houses, are supplied with telephone communication in the United States, because of the greater facilities and the lower cost. The Telephone Companies there work in alliance with the Post Office, while both are distinct. From every country telegraph station a telephone wire branches out to most of the gentlemen's houses in the district, as well as to commercial premises, so that orders can be transmitted, and inquiries made, and much time and labour saved by being able to communicate direct, at slight cost.

With the enormous growth of the remunerative Money Order business there has been little, if any, alteration in the methods devised forty years ago, when the scheme was in its infancy. It would appear as if the design was to cause the public as much trouble and irritation as possible in cashing the Orders. Literal traditions are kept up, while their essential spirit is violated by the functionaries themselves in their rigid adherence to red-tape. Pedantry pervades the Department, and the Quarterly Postal Guide is crowded with petty and vexatious rules. The primary object of the Post Office is to raise the largest possible revenue. A subordinate and incidental object is to convey the letters of thirty-nine millions of people, who are fined in ingenious petty ways as a penalty for not observing hundreds of trivial regulations and exceptions, which life is not long enough to master, and which only irritate by their microscopic character.

How far some departments of Post Office business interfere with trade in the open market is a question on which much controversy wages. Bankers, for instance, complain that they are handicapped by the way in which Money Orders are issued and deposits are received and paid in the Savings Bank branch. Insurance companies also allege that they are unfairly treated through the operation of the Annuity and Insurance department. It is said that the machinery and the staff of the Post Office are used in a way that places private undertakings at an unfair disadvantage.

The arguments advanced in connection with banking demand consideration. According to the last Report, the amount standing to the credit of depositors in the Post Office Savings Bank was £89,266,116, being an increase during the year of £8,668,475. It is also stated that 35,874 persons deposited the maximum annual limit of £50 in one sum, or an aggregate of £1,793,700. Under the new rules deposits are also received for investment in Government stock up to £200 in one year, and to £500 in all, instead of £100 and £300 respectively, as used to be the case.

The increase is not surprising when it is remembered that the rate of interest allowed, $2\frac{1}{2}$ per cent., is more than can be obtained elsewhere with existing values, and on the highest possible security. The amount credited for interest during the year was no less than £2,015,903. But at the recent and present price of money it cannot be earned, so that the business is really carried on at a loss. Owing, moreover, to the intricate checks devised, so as to guard against mistakes and defalcations, it is said that every transaction, both of deposit and withdrawal, costs on an average nearly sevenpence. The actual cost cannot be determined, because much of the work in receiving houses and local offices is done by general members of the staff in the midst of other duties.

Besides all this, bankers naturally complain that depositors are allowed to transmit money free, or at nominal charges, and to nominate persons to receive the amount on death, if under £100—although the official difficulties interposed, and the pedantry of red-tape, render the latter practically inoperative—thus unfairly competing with ordinary banks. Even manifest public advantages ought not to be conceded unjustly or at the expense of other great sections of the community. It is further stated that the National Debt Commissioners are offering exceptional terms of £3 0s. 10d. per cent. to friendly societies which now place their funds in trustee savings banks, though it is difficult to perceive how such an amount can possibly be paid except at a loss to the Exchequer.

It is needful to remember the cautions given in the eighth Chapter against pernicious extensions of the functions of government, and against the excessive growth of bureaucracy. England is in imminent danger of being given over, bound hand and foot, to officialism. Prussia once bore the palm in this respect ; followed closely by France. We seem likely to rival either country in the way of centralisation. A generation ago the complaint was that the *laissez-faire* policy prevailed. Then a demand arose for supervision and control in many matters. It began, in a tentative way, with factory legislation, to remedy a state of things in child labour which had become a flagrant scandal. It was extended to Poor Law administration, which was also a crying evil and a grave social danger. Next it was extended to matters of sanitation, under the Health of Towns Act. This has been followed by a series of measures relating to trade, agriculture, education, and other things.

No objection can be made, in the abstract, to such procedure, if only it be practical and carried on within just limits. The well-being of the community is the supreme law. There were evils and wrongs that imperatively demanded prompt and even heroic treatment. The misfortune is that emotional legislation, usually rushed through in a panic, is sure to go to an extreme. In the desire to redress an admitted wrong the tendency is to run the risk of doing an injury in an opposite direction. The grave mistake lies in entrusting so much power and authority to central and permanent officials. The latest exemplifications are furnished by the enormous and practically irresponsible powers wielded from Whitehall over County, District, and Parish Councils, and over the educational system of the country. Moreover, the police, Poor Law functionaries, Day School teachers, postmen, and others, use the Municipal and Parliamentary franchise for the avowed purpose of extorting larger salaries and earlier pensions.

The modern theory is that people are children, or pawns, and are not to be trusted in matters in which they alone are concerned as individuals. It is supposed that the State, as represented by the Imperial Government, or by municipal, county, and parochial authorities, can regulate everybody and everything, and can carry on an endless variety of business concerns, instead of leaving them to personal judgment and responsibility. Voluble speakers and copious writers do their utmost to foster this ridiculous and pestilent economic heresy. If they had their way, individualism would be banished to the planet Saturn, and all the affairs of daily life would be prescribed and controlled after an inexorable official pattern.

If the theory were carried out to its full extent, we should have to eat and drink, wake and sleep, dress and walk, perform every physical function, work and be amused, be born and marry, die and be buried, according to prescribed rules. A little army of inspectors and spies would have to be maintained at the public expense to see that no official regulation was infringed. It is forgotten by such theorists that uniformity can no more be secured in these respects than in height or weight, in the shape of the features or the colour of the hair, in constitutional temperament or speculative opinion. Moreover, the State, or the Government, is a mere abstraction. It is carried on for the general advantage of the community. Certain things can be done more cheaply, easily, and effectively in combination, or by delegation, than singly or alone; but the limits should be strictly defined, so as not to impair personal effort, or to interfere with commercial enterprise and with legitimate financial speculation.

CHAPTER XXVIII.

COMMERCIAL COMPANIES.

THESE include a large and miscellaneous class, such as manufacturing concerns and gigantic shops and stores which have been turned into limited companies; hotels, breweries and distilleries; shipping, canals, docks, and harbours; tramways, omnibuses, and cabs; telegraphs and telephones; and the supply of gas and water. British shipping registered under the Merchant Shipping Acts amounts in number to 21,206, and in tonnage to 8,956,181. Of steam vessels the number is 8263, and the tonnage 5,969,020. Lloyd's *Register of British and Foreign Shipping* shows that during 1895, 579 vessels, of 950,967 tons, were launched in the United Kingdom. Only one-twentieth of the number and the tonnage were sailing vessels. The war ships built in Government and private dockyards amounted to 59, of 148,111 tons. The total output was less than in 1894 by 95,000 tons. The proportion to steamships was much higher. Of the entire number, 16,547, or about three-fourths, are engaged in the home and foreign trade, and they employ 240,458 persons.

Trading companies are always attended with a measure of risk. Even if they pay large dividends for a time, the capital is by no means secure, or an adequate amount is not written off for depreciation of plant and stock. The business is never so carefully and economically administered as when it belonged to an individual or to a firm. Moreover, there are risks arising from keen competition, from caprices of fashion, from the launching of other companies with more seductive baits, from over-trading, from careless purchases, from waste and speculation, and from similar causes. If 10 per cent., or even 5 per cent., be paid—probably out of capital—for a time, and the holder then has to dispose of his shares for one-fourth of their cost, he is manifestly a heavy loser. Not a few such instances occur annually. They have proved to be mere castles in the air, with lofty battlements, long corridors, and spacious apartments; all of which, being unsubstantial and shadowy, are tenantless.

Gas companies are fairly sound investments. Occasionally a scare arises that a new and cheaper illuminant may be invented. Electricity is the most formidable rival, but for domestic purposes coal-gas is likely to continue in great demand. Profits are large, and the shares are for the most part well held. The last Parliamentary return relating to all authorized gas undertakings in the United Kingdom, other than those of local authorities, gives the receipts of the Metropolitan companies at £5,402,197, leaving a gross profit of £1,756,443. Outside London the total receipts were £7,604,022, and the gross profit £2,139,291. Measured by cubic feet of gas the receipts for London represent 3s. 10d. per thousand, and in the provinces 4s. A similar return for gas undertakings belonging to local authorities gives the total receipts at £6,402,046, and the gross profits, after allowing for certain cases in which the expenditure exceeds the receipts, at £1,721,011; these receipts represent an average of 3s. 4d. per thousand cubic feet of gas, or 6d. per thousand less than the average for London, and 8d. per thousand less than in the provinces, as stated above.

With improved and economical methods in generating and storing electricity, and in applying it to a variety of purposes, an impetus will be given to the shares of electric lighting companies. Those formed for laying and working submarine cables—now extended to every quarter of the globe—have hitherto been manipulated by a "ring.' The expense of working and of repairs is great, as is the risk of fracture, and the transmission of messages is largely affected by the state of commerce. English waterworks furnish a steady form of investment, and are likely to extend with the increase of local self-government.

As regards manufacturing and trading companies, it is essential to allow for casualties, for contingent liabilities to pay up the capital, and for commercial fluctuations. As a rule, small ventures should be declined, and those liable to severe competition; with such as spring up in new and untried countries. Especially should further liability be avoided, as in the case of banks and insurance companies which treat the uncalled capital as a reserve fund. It may never be required, and will not be, so long as business is prosperous and large gains are secured. Yet, in the event of commercial depression or of financial panic, it may be found needful to call up the working capital, to the great inconvenience, or loss, or ruin of many persons.

It is needless to enter into details regarding investments in other things, each group or member of which has its own market and its own special sources of information. There are personal and local reasons, and what may appear to be accidental circumstances, that largely determine their selection. The general principles laid down and the specific figures given in the seventh Chapter, when treating of Limited Liability, need to be kept in view.

CHAPTER XXIX.

AMERICAN VENTURES.

THE great and rapid development of railways in America has brought many securities on the English market. Some are very good, others are extremely bad. The whole system of management in the United States differs from the one in vogue in this country. "Pools," and "deals," and "cut rates," exert a disturbing influence. Returns of traffic are not always reliable. The powers exercised by "presidents," with enormous salaries and with opportunities for making money out of contracts and by rigging the share market, are perilous to the interests of shareholders. Political influence is largely exerted, and politics form a lucrative trade with unprincipled adventurers in America.

Hence, although many lines, such as the New York Central, the Pennsylvania, the Illinois Central, and others are ably managed, and are comparable for construction and equipment to the London and North Western, the Midland, the Great Northern, and similar English roads, the confidence of investors has been so rudely shaken by repeated repudiations, bankruptcies, reconstructions, and assessments of notorious roads like the Erie, the Philadelphia and Reading, the Wabash, the Union Pacific, and many others, that ordinary stock is, not unnaturally, viewed with suspicion and dislike. With regard to the second of the above lines, the question is often asked whether there is a reasonable hope of recuperation? English investors have provided during the last twenty-five years at least eighteen millions sterling in shares and bonds. If to this enormous sum be added unpaid interest and dividends, the aggregate becomes still more serious.

It is a pitiable story. All concerned know too much about suspended coupons, and first, second, and third mortgages, and deferred income bonds, and voluntary assessments. They have been made to run up and down the gamut of hope and fear. Plausible statements have been made, and estimates without end, all more or less roseate, have been issued, but their realisation is a thing yet to be desired. Of voluble talk, by successive presidents, managers, and receivers, there has been more than enough. Brilliant but empty promises have been as thick as blackberries. Solid pudding, in the shape of actual dividend, has been conspicuous by its absence. It is not surprising, therefore, that many English investors in American railroads will only accept First Mortgage Bonds—that are really bonds, and not illusory—or Gold Bonds payable in London. Even then there is a haunting fear of possible repudiation, or of an utter derangement in the market value by some political panic. Yet, by exercising due precaution, numerous good speculative investments are to be found in American railroads.

The marvellous development of the Western and Southern States calls for increasing facilities of communication ; but, in the absence of personal knowledge of the country, it will be well to seek advice from reliable experts in order to estimate the value of new and prospective roads. Through lack of this many millions have been hopelessly sunk in American lines. They have been over-capitalized by reckless "watering" of the stock. The origin of the expressive phrase is attributed to a plutocrat who began life by purchasing cattle along the Hudson River Valley for sale in New York. He gave the animals salt, and then as much water as they could imbibe, because they were sold by weight. Fictitious capital has been created by a mere stroke of the pen, without any actual increase of property.

Considerable profits have been made by judicious dealing in American stocks, and there is every reason to anticipate further large profits by watching the markets and knowing when to buy and when to sell. The panic caused in the closing days of December, 1895, in connection with President Cleveland's message to Congress on the affairs of Venezuela, as already mentioned, caused an enormous number of shares to be flung upon the market by timid English holders. The result was that prices rapidly deteriorated. The depression was sure to be only temporary. Those who had the discernment and the courage to purchase were rewarded within three weeks by the gradual recovery, and they were able to realise to great advantage. It was not to be supposed that the great trunk lines of America, with their perfect equipment, their volume of traffic, and an established reputation, could be permanently affected by what, after all, was a false move on the political chessboard, made for ulterior purposes of the game.

CHAPTER XXX.

FOREIGN STOCKS.

FOREIGN stocks are not regarded with much favour; being largely speculative. Some of them are decidedly rotten, like those of Chili, Bolivia, Paraguay, Peru, Argentine, and other South American countries, which are badly governed, or are liable to constant revolutions, or have the vicious and dishonest habit of repudiating their obligations. Debts were contracted under the pretence that the money would be applied to works of public utility and to mineral and commercial development; whereas it was squandered on luxurious living by political adventurers, on military and naval display, and on similar wasteful expenditure, or it was openly stolen and misappropriated, or was illegally spent in paying interest on other and dubious claims; a modern version of *A New Way to Pay Old Debts.* This condition of things explains the periodical panic in foreign stocks, which are handled only by daring speculators, who have freely to discount the extreme risk.

A Select Committee of the House of Commons, under the presidency of Mr. Robert Lowe, afterwards Viscount Sherbrooke, made a searching inquiry into the circumstances attending the making of contracts for foreign loans, and into the causes which led to the non-payment of principal and interest. The inquiry was not directed to the old defaulting States of Greece, Spain, and Turkey, but to the four South American Republics of Honduras, Costa Rica, San Domingo and Paraguay, whose recent default was peculiarly aggravated and deceitful. By a series of clever but unscrupulous operations on the Stock Exchange, the loans were forced up to artificial prices. Important information was suppressed, and false statements were made.

The Committee reported that certain persons, whose names were given, had been "regardless of the financial resources of the borrowing States; had violated undertakings that the proceeds were to be spent on works calculated to develop the industrial resources of the different countries; had resorted to means which in their nature were flagrantly deceptive," with a view of inducing the public to lend money upon a totally insufficient security; and, by trading upon credulity, had obtained money and then betrayed the interests of the lenders. One beneficial result of the inquiry was that the investing public became more wary with regard to foreign loans.

States that are well-governed, and have established a reputation for prompt payments, are viewed more favourably. They yield a higher return than English funds, but knowledge and care are needed to deal in them with confidence and success. The hypothecation of special sources of revenue for the payment of interest is a guarantee in little more than in name, for no means exist of enforcing it in case of default.

Egypt is an exceptional instance. England and France hold such a gigantic stake in that country, and occupy such a position, that terms were effectually dictated in the interests of foreign bondholders. But Egyptian stocks are not what they were in the palmy days of Ismail Pasha, when he was Khedive, and freely expended the money so readily furnished, on stringent terms, by English and French investors. There is a quick and active market for foreign stocks. Transfers are made with little expense.

Some investors are attracted by foreign railways, because of the higher rates of interest, but the stock is always seriously affected by disquieting political rumours and by the absence of any effectual check upon the management.

SECTION V.

Counsels and Cautions.

"All that glitters is not gold;
Often have you heard that told."
Merchant of Venice, ii. 7.

"I greatly fear my money is not safe."
Comedy of Errors, i. 2.

CHAPTER XXXI.

THE CHOICE OF STOCK.

FASHION, personal preference, or accident largely determine the choice of stock. Sometimes the general swing of the pendulum is towards English railways ; then towards foreign railways ; or to mines, or breweries, or manufacturing companies. The reasons for the choice cannot always be defined. Man is an imitative animal who delights in bargains. Political complications, impending war, bad weather, a good harvest, failure in crops, the outbreak of a pestilence, a serious railway accident, storms and shipwrecks, the state of trade, and various other causes, produce fluctuations in market prices, while intrinsic values remain the same. A general disposition is manifested to favour or to reject certain securities, for no particular reason, but because everybody else is doing so. They are talked about in society, they form the theme of newspaper articles, or they seem to be in the air, and the man in the street has something to say concerning them. The fashion is set; no one exactly knows how or by whom; but it is sure to be followed.

An intending investor has relatives or friends residing in a country or engaged in some trade which happens to be prominently before the public in some particular form of speculation. This decides him to embark upon it. Or he may possess special knowledge which induces a belief that the chances are good and that the occasion is opportune. Some acquaintance has done well in a similar undertaking, or he himself had a stroke of good fortune in it a few months ago, and he concludes that he may make an experiment. One man is enamoured of mines. Another will not look at them, but holds by railroads. A third rejects both, but pins his faith to banks, while a fourth deals only in American or in Colonial securities. Sometimes this is a result of deliberate choice. In other cases it is the child of habit or of accident. It is as mysterious as the caprices of the palate, or as the unconquerable aversion occasionally shown to certain colours or odours, or as the causes that determine political and religious opinion with the multitude.

It is well, at the outset, to limit the maiden effort to some one carefully chosen stock. It is impossible to know everything at once; whereas, by studying one subject at a time, difficulties will vanish and everything essential can be learned. Its past history, its recent fluctuations, its highest and lowest prices, with the reasons that influenced them, and the probable conditions in the near future, should be carefully and patiently investigated, so as to form a just estimate of the prospects of an early or an ultimate movement upwards or downwards. All this will aid in a solution of the problem whether, at current prices, it is better to buy or to sell. Experience of this kind can only be acquired by practice, and by use of personal effort and common sense. The swift runner must first have learned to walk. To seek to know everything at once ends in nothing being really known ; nor can any one hope, even if it were necessary, to become acquainted with the fluctuations of all the securities dealt with on the Stock Exchange.

Some of them present a margin for tolerably safe operations, either to buy or to sell. By taking the average of prices over a series of years it is possible to make a reasonable forecast, after noting the influences which affected values. Others fluctuate so often, and to such extremes, that profits can be made only by a careful study of each rise or fall, and of its special causes. This enables an astute operator to anticipate similar movements under similar circumstances, and to turn his knowledge and observation to good account.

It is as true in such matters, as in politics and in domestic life, that "coming events cast their shadows before"; but watchfulness and sagacity are required to read and interpret the signs that infallibly denote impending changes. Hence the paramount necessity for acting upon the advice already given, and to make a close and careful study of the particular stock; noting the extent of fluctuations, and their causes; gathering all possible information, so as to compare and judge; and then acting with prompt prudence, bold deliberation, and cautious decision. *Festina lente* is a good motto; for sometimes "the more haste, the less speed."

By the exercise of care and patience, it will become an easy matter to select and watch one stock, so as to learn all about it. This, it may be necessary to repeat, is the first step to success; and, if followed up with intelligence and prudence, will bring its ultimate and certain reward. Knowledge will teach when stock is dear and when it is cheap; in other words, when to buy and when to sell, so as to be enabled to secure profits. The sound principle is to select some stock or stocks worthy of attention, and then quietly and steadily to deal; watching for an opportunity to realise.

The stock having been judiciously selected, it must be carefully watched, in order to determine about when the highest or lowest depression is reached, so as to complete the operation at the right moment and secure a profit. Daily fluctuations must be studied and noted down, and circumstances that tend to raise or to depress market values. For instance, a complication in European politics will instantly affect the prices of stocks issued by the countries involved. Railways are dependent upon traffic, and this is adversely affected by bad weather, depressed trade, keen competition, accidents, strikes, and other circumstances, all of which must be kept in view. The trouble is not so great as it seems. It involves only a short time being devoted daily to a careful and systematic study of market prices and of the matters bearing upon them, and the exercise of a little judicious foresight as to probable changes, in order to enable accurate comparisons to be made. No special talent or training is requisite, but only the exercise of average common sense and business judgment on events which may have a bearing upon the market, and the faculty of being able to foresee their probable influence upon prices. Expressed otherwise, it is the ability to perceive the relation of cause and effect, by means of similar conditions that prevailed formerly. Appendix H, with the dividends paid on certain leading stocks during the past six years, and F and G, giving the highest and lowest prices recorded, will supply valuable information.

CHAPTER XXXII.

UNREASONABLE EXPECTATIONS.

REMEMBERING just definitions and limits, it may be remarked generally that investments have in view a settled return and the keeping intact of the principal. Especially is this the case with money held by trustees; as was explained in the fourth Chapter. The securities open to them are comparatively few in number, and are especially defined and rigidly restricted by the Legislature; chiefly in view of the safety of the capital rather than in prospect of the income realised. The rate seldom exceeds 3 per cent. and often falls below it, and the market price is usually high, on account of the demand for a variety of purposes.

Private investors, who cannot or who will not take the trouble to comprehend the laws that govern stock transactions, must be content with a very moderate return. They may, if they choose, learn the character of the risks, and understand the conditions of success, by the exercise of ordinary intelligence. No Prospero's wand is needed in order to avoid failure ; but only common sense and common prudence, such as all may cultivate.

On the other hand, there are no short and sure cuts to success. It does not come by wishing and waiting for it. The skies do not rain wealth, nor is it attained at a bound, as the result of one great and clever stroke. If it be thought that in one or two transactions of five or ten thousand each a great fortune will be instantly secured, there is certain to be a speedy process of disillusioning. Neither can it be expected that every venture will prove lucrative. "The best laid schemes o' mice an' men gang aft a-gley." No mechanism is so automatically perfect in its working as to be free from all risk of friction. It is the same with investments. However carefully made, it sometimes happens that unexpected complications arise, such as no foresight could have anticipated or guarded against.

Yet the law of averages is certain to operate, as is the case with accidents, with fires, and with every business ; although Buckle carried the theory to an extreme, and imagined that the course of events and the mystery of human life were reducible to a mere question of arithmetic or statistics. At the risk of being wearisome and tautological, it must be reiterated that, given ordinary care and skill, the general results cannot fail to be satisfactory, if only the expectations formed be reasonable, if suitable methods are adopted, and especially if the oft-commended plan of taking short and quick profits be followed.

Though prices may be variable, and even seem to be fitful and uncontrolled, the eye of the trained observer detects a certain amount of regularity in such eccentric movements ; just as the meteorologist deduces certain great principles as to the law of storms or as to the prospect of settled weather, from observations over a wide area and a long period as to the rise and fall of the barometer, from atmospheric currents, from electrical conditions, and other circumstances open to careful deduction.

The general tendency of stocks is in one direction for a time, upward or downward, and then, after an interval of varying length, with what resemble the wayward movements of the magnetic needle, though really regulated by inexorable laws, they tend in an opposite direction until an extreme limit is reached. The principle is that of the pendulum ; so that after a rise comes a fall, and *vice versâ.*

CHAPTER XXXIII.

HIDDEN PITFALLS.

STOCKS have a small and sluggish or a large and quick market. In some it is possible to deal at any moment, with a difference of $\frac{1}{4}$, $\frac{1}{8}$, or even $\frac{1}{16}$, while in others it amounts to 1, or 2, or more, and even then a sale is not easy. Operating in a stock where a close price can be obtained promptly enables a bad bargain to be retrieved at a trifling loss, which would otherwise be heavy. Some markets are so small that a speculator, once in, gets "roasted" before he can extricate himself.

Decoy ducks are occasionally sent out, in the guise of a sudden fluctuation, to lure the unwary; and then the price is put up against them. Cases are not unknown of brokers unloading stocks that they were desirous to get rid of on their own account, or of sacrificing one client for the advantage of another. The wise speculator should be early in and early out; being content to take a cut off the loaf and then pass it on; for it is the profit missed that tells in the long run.

The man who hesitates is lost when a sudden change or a crisis arrives. To pause and consider, and re-consider and resolve, only to wonder and doubt and resolve again, is the sure way to let the golden opportunity fly; followed by vain regrets when it is too late. It is noteworthy that those who ponder much and deeply over a contemplated step almost invariably come in to buy at the top price of the stock, or sell at its lowest; while those who have been at the pains to ascertain the facts, who are accustomed to take in all their bearings at a glance, and to act with swift decision, strike in at the point of the tide which leads on to fortune. It is possible for one man to make a short profit, by taking advantage of the state of the market, while another is dubiously considering; first making up what he is pleased to call his mind, and then veering round as suddenly and fitfully as the wind; until, at length, he is probably engulfed, and drags others down, in the quicksands of his impecuniousness.

No difficulty need be experienced by any one possessing average intelligence, and willing to acquire the requisite knowledge, in order to operate on the Stock Exchange in large amounts of stock, and in such a manner as to ensure good results.

Certain mistakes must be avoided, and a sound and correct method pursued, if such operations are to be carried on so as to bring a profit. By taking a little trouble, and with the aid of a newspaper like the *Evening Standard*—usually a trustworthy record of prices from hour to hour—it is possible to watch the course of the market, and to exercise a reasonable check upon agents. If a telegram be sent at noon with orders to buy £10,000 of stock, and the contract arrives the next morning with the price, it can be seen at a glance whether that price was ruling at the time; allowing for the necessary short interval for the delivery of the message.

Before engaging in any transaction its wisdom should be assured, with a likelihood of its being profitable. After having resolved on a certain course, its issue should be patiently awaited, no matter how the markets may vary. There are times to strike when the iron is hot. At other times it is needful to wait until the iron is fully heated; and even to be patient and confident though it may seem to be getting cooler. No surer test is afforded of what a man is capable of being and doing.

Any one can be jubilant in the midst of success, but faculties of a high order are required to maintain calmness and watchfulness in a time of uncertainty.

The thrice-repeated reply of Demosthenes to a thrice-repeated inquiry as to the essentials of true oratory was "Action! Action! Action!" To speculate successfully involves three essentials, viz., courage, judgment, and decision. All of them are of primary importance. Each is a necessary adjunct to the other two.

Charles James Fox used to speak of "the elegant simplicity of the Three per Cents." The Duke of Wellington is credited with the dictum that "high interest always means low security." Like many other wise saws and modern instances, these maxims, however sound within just limitations, are often pressed to an extreme and made to bear a forced meaning. A wise man will be reasonably careful, while seeking to obtain for his money the largest return compatible with safety.

Yet caution may hesitate so long as to end in timidity or torpor. Investment is an art. It might even be termed a science. Like other arts and sciences, knowledge is only to be acquired by study and effort. Judgment comes from experience. Sometimes it springs from failure. But a man must learn to compare and discriminate. He needs courage to follow a course deliberately chosen after careful inquiry, and promptitude in decision to avail himself of sudden and transient changes.

In the commercial world it sometimes happens that injudicious purchases result in disaster; but this is also induced by excessive timidity or by slowness to seize upon the favouring conditions of the hour, which wait upon the convenience of no one. Washington Irving's Rip van Winkle woke up from his prolonged slumber to find a world altogether changed, and he could not adapt himself to the new state of things. The same is true of mercantile affairs and of investments.

CHAPTER XXXIV.

SAFE RULES.

IT is difficult to recommend any one system for dealing in stocks. The conditions of the market vary from day to day. Hence a rule, however sound and excellent at one time, may not be applicable in a week or in a month. Speaking in general terms, there are but two distinct plans, each of which possesses its own advantages. They comprise (1) buying stock to sell again quickly at a small profit; and (2) buying to hold for a time. The former is the one on which all experienced operators work; but it cannot be followed in combination with the second system, for they are based on totally different principles. The first requires but little knowledge of the intrinsic value of stocks; their daily fluctuations only being taken into account; but the other, besides being much slower in working, demands greater knowledge of intrinsic values, and but little of daily fluctuations. Two maxims of vital importance must be borne in mind, however; never to engage in an operation which does not, on a careful estimate, show chances of a good profit ; and never to go beyond the available capital.

The man who wishes to employ his capital to the utmost of its money-earning power has before him a wide and fruitful field. First of all, to epitomize what has already been advanced, he should select a low-priced stock which has more than once reached a much higher figure, and which will, presumably, again show an upward tendency. He can acquire the control of a large amount of nominal capital for a comparatively small outlay, and he has a reasonable chance of securing a good profit on the rise or the fall, with a possibility of a microscopic loss that may easily be retrieved by a considerable gain. Prudence will suggest that all the eggs should not be placed in one basket, as was before pointed out, and that only a just proportion of a limited capital should be thus employed.

To use a homely proverb, it is well not to count the chickens before they are hatched; for, if the eggs have not been carefully selected, they may chance to prove addled. Neither is it desirable to believe all that is told, or even half of what is told, concerning likely, or promising, or certain speculations. Volunteer advice is usually susceptible of a liberal discount. On no account should money be entrusted to unknown or irresponsible persons, or to those who profess to guarantee the success of a particular venture. It is also dangerous to retain shares or stock in a company which keeps an open capital account, or which is handicapped with excessive debenture or preferential charges.

A man who has no fixed idea of what he wants or intends, but is easily led away from one plan to another, is likely, if he plunges into speculation, soon to become embarrassed, and, perhaps, involved in hopeless disaster. Disinclination or inability to master the rudiments of the business, or to acquire the information necessary to its prosecution, or to keep posted on such matters as the state of trade and of the Money Market, and the bearings of public events upon the prices of stocks, render many incapable of a task that involves a measure of intelligence, watchfulness, and industry.

Such qualities are essential to success in any department of business life, and they cannot be dispensed with, but are required in all their force, in Stock Exchange transactions. Lack of system, haphazard dealings, inability to act promptly, ignorance of the laws that govern the market, and unwillingness to be taught, are grave and insurmountable obstacles. Men who have amassed money by their own unaided intelligence have possessed definite aims, a settled plan of procedure, clear foresight, accurate knowledge, and the capacity to judge what the public will do under given circumstances as affecting the Stock Market. The cool, discerning, resolute man grasps his nettle, which some call danger, and makes it yield the flower safety, when the excitable, nervous, timid, impulsive man finds nothing but a sting.

To be dissatisfied with a moderate profit, risking it for the chance of gaining much more, is a sure sign of incapacity. A profit of $\frac{1}{2}$ per cent. may be offered, but it is not taken because of a desire to get $\frac{3}{4}$. Should that be reached, another $\frac{1}{8}$ is longed for, with the result that, like the dog in Æsop's fable, in attempting to grasp the shadow, the substance is lost. Innumerable instances of the kind have occurred, showing that sufficient value is never set upon the importance of avoiding a loss, while studying feverishly how to make a problematical profit. "Take care of the pence, and the pounds will take care of themselves," is a trite maxim of wide application. "Never refuse a profit" is a golden rule which many have not the courage to adopt.

CHAPTER XXXV.

CONCLUSION.

THE legislation of recent years includes numerous measures relating to foreign and domestic trade. The entire tariff has been revised. Absolute free trade has been established. The Navigation Laws have been swept away, and the Corn Laws abolished. The Usury Laws have been repealed. The note issues of banks have been placed under regulation. Private Bill legislation, with its enormous and scandalous fees, has a manifest tendency to increase. Liberal grants have been made for steam communication with our colonies. Lighthouses and harbours of refuge have received much attention. The postal service has been reorganized, and its benefits rendered available to all classes by the penny post and the cheap transmission of books and papers.

At the same time, as has been shown in the preceding pages, there is a marked official tendency to assert increasing control over matters of trade, and industry, and investment : a tendency fraught with considerable danger, and needing to be watched against and resisted. Commercial and financial business is competent to manage its own affairs and to protect its own interests without the prying supervision and asserted control of any Government department. The meddling interference of a little army of clerks and inspectors, taking their instructions from some Circumlocution Office, is prone to become a system of espionage and a nuisance. The spirit of bureaucracy grows by what it feeds on. The more it is yielded to, the more intolerant and rampant does it become. Even its constant failures are urged as a reason for increasing its pernicious powers.

The results of one of the latest manifestations of grandmotherly government furnish an instructive object-lesson. Under the panic and the irritation caused by the collapse of so many limited companies, the Board of Trade officials contrived to secure an enlargement of their powers in 1890 in connection with winding-up procedure. A new and expensive department was created, and there was a parade of supposed advantages to accrue from the public examination of the directors and officials of companies. The costly farce has been going on for more than five years, and creditors and shareholders have had to watch with such patience as they could command while red-tape wasted and squandered their property. Official Receivers and their myrmidons virtually do as they like, at enormous cost; the whole of which comes out of the pockets of their victims, who, under the existing system of "How not to do it," are powerless to resist or to interfere. The pretentious public examinations have done nothing that could not have been more easily, cheaply, and expeditiously accomplished by the old law.

Yet officialism, with this dismal failure, covets more power, and demands that creditors shall in no case be left to manage their own affairs, but shall always meekly leave them in the hands of the Whitehall functionaries. According to the last report of the Winding-up Department of the Board of Trade, for the year 1894, but not issued until the beginning of 1896, it appears that of 998 companies in which winding-up proceedings were commenced during the year, only one-ninth were compulsory liquidations under order of the Court. Eight-ninths were voluntary; carried on by creditors who still prefer—to the astonishment and disgust of officialism—to retain the control of their own property. This is not surprising, however, when it is known that the capital involved was £36,777,602; that of the companies in the clutches of Official Receivers being only £4,370,700.

As regards 70 cases actually completed during

1894, some of which commenced in previous years, the gross receipts were £65,916, but creditors and shareholders received only £45,052. The rest was swallowed up in costs and charges. Nor does this represent the actual outlay. The salaries and expenses of Official Receivers, their clerks and offices, with a portion of those of the Board of Trade, and Court fees, copious printing, and miscellaneous charges, amounted to £34,486, three-fourths of which had to be paid in fees by the long-suffering and fleeced creditors and shareholders, while the remaining fourth was interest on money belonging to them, but kept in the hands of Official Receivers until they see fit to disburse the money. The amount thus retained, December 31, 1894, was no less than £470,825, the greater part of which ought long before to have been divided among its rightful owners.

The method of paying dividends exemplifies the maxim of "How to put the public to the utmost trouble." After weary months of waiting and of hope deferred, a lengthy printed statement is issued, with an accompanying balance-sheet. Every possible expense, actual and contingent, is charged, and a large balance is retained for eventualities. Then a dividend is declared on a separate sheet of foolscap. Instead of sending a cheque, an elaborate form is enclosed, which has to be filled up and presented on assigned days at the office in Carey Street. If presented by any one else than the creditor, he has to fill up and sign another form. After pressing through a small crowd of expectants into a cramped little room, there is more questioning and more signing before the cheque or the money order is handed out.

Of course, the expense of the money orders is a charge upon the assets, as is the case with the postage of thousands of letters every day. If the recipient is unable to go or send for the dividend, he is supplied with yet another form, requesting to have it forwarded, at his risk, through the post. All this elaborate process has to be gone through even for a few shillings or a few pence, and whether a score or a thousand persons are concerned. It is not surprising, therefore, that administrative and incidental charges should be so large, or that they amount to five times the cost of voluntary liquidations, besides occupying far more time. In some cases the assets are swallowed up in expenses; the procedure ending only when the money has gone.

As was remarked in Chapter viii., when treating of ordinary Bankruptcy procedure, and as was the case in former reports issued by the Board of Trade, there are covert sneers at voluntary liquidations and attempts are made, by a clever manipulation of figures, to make it appear that the expense and the delay are much greater. Various hypothetical reasons, all of them eminently satisfactory to the official mind, are urged in the reports by way of explaining and justifying the extraordinary disproportion of costs between the two methods, and claiming that every liquidation shall be conducted in the approved official way. The sufficient answer is that creditors and shareholders, in eight cases out of nine, prefer to manage their own affairs. All the clamour raised by officialism, with a view to bring more grist to its own mill, will assuredly fail, even though the specious plea is raised of this being desirable in the interests of public justice.

Creditors and shareholders are weary of and indignant at the irresponsible powers, the scandalous delay, and the wasteful expense of bankruptcy procedure, both in private estates and in company liquidations. It is needful also to protest against the farce that often goes on under the guise of public examinations, which are sometimes a travesty of justice. Examiners and counsel have an objectionable trick of trying to be funny and ironical; addressing questions for the purpose of evoking laughter from the gallery, or affecting a high moral tone, as if in a court of ethics, or assuming that every witness is a liar and a scoundrel, and throwing upon him the burden of disproof, or requiring him on oath to incriminate himself, as in the French mode of procedure.

The House of Lords has clipped the official talons by deciding that a public examination cannot be ordered unless fraud is proved, and that a mere suggestion of suspicion is not enough. Prior to that decision, the course adopted was at the mere caprice of some unknown clerk. The Appeal Court has also reversed a judicial dictum, which treated auditors as stocktakers and valuers. It is obvious that considerable friction has arisen between the Courts and the Board of Trade; but the result is a decided gain to the investing public, who have so many millions at stake in existing limited companies. Moreover, in January, 1896, an intimation appeared that newspapers would no longer be supplied by Official Receivers with "observations" on statements of affairs, as counsel advised that they were thereby exceeding their statutory powers, and might incur personal liability for libel. The Board of Trade therefore stopped the practice; but a further point arises, as to the degree of value attaching to "observations" of the kind, which, after all, are nothing more than the expression of individual opinion. Being issued officially, they are made to assume a factitious importance.

Against the perpetuation of this condition of things it is needful to make a determined stand. Commerce, industry, and investments are able to exist alone. They do not require bolstering or controlling by unknown Government clerks. England has attained to her proud pre-eminence in manufactures and industry, in applied science, in inventions and processes, in home and foreign trade, as the almost universal carrier of the world's commerce, and in the vast accumulation of her investments, in defiance of the attempts of unwise rulers to keep her in a state of pupilage. Englishmen know what they want in the way of business, and how most effectually to realise their ends. So long as a man does no injustice or injury to others, he has a right to pursue his own course. Personal enterprise, energy, courage, and skill, becoming a mighty aggregate in the mass, have achieved incalculable benefits in the past, and will accomplish yet more in the future, with free and fair scope. Every man must judge and act for himself. The world of investment is before him where to choose. If he succeeds, he has himself to thank. If he fails, the blame is his own. By following the directions in these pages, it ought not to be difficult to avoid the latter and to ensure the former. The rules laid down and the hints given have stood the severe test of experience, and can be confidently recommended for adoption. It is certain that much latent wealth in the country might be brought to light, and made to increase and grow with perfect safety, at a far more rapid rate than at present.

The world was amazed, at the close of the Franco-Prussian war, when the enormous indemnity of five milliards of francs, or £200,000,000 sterling, was raised with comparative ease, mainly out of the unsuspected hoards of French peasants and shopkeepers. When the loan was opened they subscribed in a few days more than twice the required amount, so that Bismarck is reported to have expressed regret and vexation at not having exacted a larger indemnity. The case of France is typical and instructive. In every civilized country there are to be found many hundreds of people whose aggregate savings represent a large total. This is especially true of England. Notwithstanding all complaints of badness of trade, and of failures in crops, it is indisputable that the accumulated and surplus capital is steadily growing. Any who can tap this vast reserve, so as to employ it in sound and paying investments, will increase the income of thousands of persons, will add to the volume of trade, will set money in profitable circulation, and will extend the wealth of the country.

THE END.

APPENDICES.

A.—Definitions of Stock Exchange Terms and Phrases.

B.—Classified List of the Principal English Investments.

C.—Price of Consols, their Mean Yield, the Bank Rates of Discount and of Dividend, and the Mean Price of Wheat, 1850–1895.

D.—The National Debt and the National Expenditure at Periods of Five Years, and the Rate of Income Tax, with the Debts and the Taxation of other Countries.

E.—The Principal Joint-Stock Banks, with their Capital, the Nominal Share Values, and the last Dividends.

F.—Highest and Lowest Prices of Stocks and Shares, 1880–1895.

G.—Highest and Lowest Prices of Principal Mines, 1890–1895.

H.—Dividends on Leading Stocks, 1890–1895.

I.—Dividends on Principal Mines, 1890–1895.

APPENDIX A.

DEFINITIONS OF STOCK EXCHANGE TERMS AND PHRASES.

LORD BRAMWELL used to say that definitions are dangerous. Perhaps he sympathized with another judge, whose decisions were generally sound, though the reasons assigned for them were always wrong. Notwithstanding the legal dictum, it is necessary and convenient to furnish an explanation of terms commonly used in Stock Exchange dealings.

Account Days, three in number, are fixed by the Stock Exchange Committee at intervals ranging from 14 to 19 days, for settling the transactions of the fortnight; when delivery of stocks bought and sold must be made, or arrangements effected for carrying over. (See *Contango.*)

Arbitrage.—The profit made by the difference in the price of securities bought in one country and instantly sold in another.

Averaging.—To secure at a lower price more stock, so as to reduce the total risk on an average of the whole.

Backwardation.—It sometimes happens that a particular stock is scarce, or a great deal more has been sold than can be delivered. A premium or consideration money barbarously called Backwardation, has then to be paid, in addition, for leave to postpone actual delivery, or for the loan of stock.

Banging is the opposite of *Rigging* (q.v.), and is done by freely selling stock to induce a fall, so as to buy back at the lower figure.

Bargain.—An agreement for the purchase or sale of any kind of security.

Bear.—An operator for a fall in prices, who sells what he has not got, in the expectation that he can buy it back cheaper, and gain by the difference. Called "short" in America.

Bond.—The sign of title to possession; equivalent to "Debenture" in the case of stocks.

Boom.—An American word, denoting an upward rush of prices caused by speculators.

Broker.—An agent who buys or sells stock for another person on commission.

Bull.—An operator for a possible rise in prices, who buys what he does not want, for the contingency of selling at a profit. In America called "long."

Buying-in.—Failure to deliver stocks sold entitles the purchaser to buy elsewhere, and to recover any loss thereby.

Carrying Over.—Also called "Continuation"; deferring until next account day the completion of a bargain. (See *Contango.*)

Childers.—The $2\frac{3}{4}$ Consols, reduced from Three per Cents. by Mr. Childers in 1884, and redeemable in 1905.

Consideration.—The sum named in a transfer deed to indicate the value of the stock.

Consolidated Stock.—Various 3 per cent. stocks of the National Debt, amalgamated in 1751, and bearing a common name. The phrase is shortened into "Consols."

Commissions vary from $\frac{1}{8}$ upwards, with the class of securities. Half-rates are usually charged on Contangoes.

"*Contango.*"—The interest charged to a buyer for the privilege of deferring until the next account the delivery of stocks purchased. Some one has to provide the money to take them up, or has to make satisfactory arrangements, and the charge for this is called Contango. Its rate fluctuates with the Bank rate of discount, and it is charged until the next account day, even though a sale be effected meanwhile. This is one of the multifarious rules of the Stock Exchange, all of which are framed in the interests of the members rather than of the public. The $\frac{1}{4}$ rate means 5s. for each £100 stock for the fortnight, so far as regards English railways. On other stocks the calculation is at a certain rate per annum; while on mines and some other things it is at so much per share. Practically, it is found that from 3 to 8 per cent. is charged on the best securities; but it may range as high as 30 per cent. upon the more speculative.

Contract.—The formal note sent by a broker to a client to indicate the business done.

Conversion.—Turning one form of security into another; usually with the object of lowering the rate of interest or deferring the date of redemption.

Corner.—A scheme for buying up stock so as to force a rise in price through an artificial scarcity. An Americanism, similar to "Ring."

Cover.—Money deposited by a speculator to ensure his fulfilment of bargains.

Cum Div.—Entitles the buyer to the accruing dividends.

Debentures.—A charge or mortgage on assets, bearing interest, and redeemable at a certain date; transferable like shares, over which they rank in claim. "Debenture Stock" is usually irredeemable.

Differences.—Sums paid to balance accounts carried over.

Discount.—The sum at which the market price of a security stands below the amount paid up.

Exchange, Rate of.—The price of bills or drafts drawn in the standard money of one country and payable in that of another varies with circumstances, and sometimes, as has been the case for a long while with Argentina, the premium for gold rises to as much as 260. *The Theory of Foreign Exchanges* is the title of a book by Mr. G. J. Goschen, which few people can be said to understand.

Ex. Div.—Stock thus sold involves the payment of accruing dividends to the seller, and not to the purchaser.

Fractions, like $52\frac{1}{2}$ or $84\frac{7}{8}$, stand in English money for £52 10s. or 84 17s. 6d. Most stocks, excepting American, which are reckoned in dollars, are quoted at prices per £100 nominal value. This, and not the actual—that is, the existing—market value, is always understood in matters of purchase and sale.

Goschens.—The popular name, after the then Chancellor of the Exchequer, for the $2\frac{3}{4}$ Consols, reduced by him from the Three per Cents. After 1903 they will be $2\frac{1}{2}$; redeemable in 1923.

Guaranteed Shares.—Interest pledged irrespective of profits.

Hammered.—Three blows are struck with a mallet in the Stock Exchange when a member is in default, and his name is announced as being unable to meet his engagements. This involves expulsion.

Identification by a known broker or his clerk is necessary to effect a transfer of stock at the Bank of England.

Income Bonds.—A loose and misleading term, of American origin, denoting a kind of Preference Shares which are in no sense Bonds.

Inscribed Stocks have no certificates; but proprietors' names are registered in a book at a bank. Transfers are made by the personal signatures of buyer and seller.

Jobber.—A stock-dealer who buys and sells on his own account for a profit.

Limit.—The price fixed by a client for share transactions with a dealer.

Making-up Prices are those at which stocks are carried over to a new account.

Margin.—The excess percentage, in cash or securities, over the market price for money lent on stocks.

Official List.—Issued daily by the Stock Exchange Committee, and supposed to quote the actual prices of business done; but it does not discriminate between buying and selling, and there is no necessity for a broker or a jobber to register his bargains. Moreover, the prices are loosely entered in the list, and often are erroneous, as appears from a comparison with those given in the best papers. Even these do not always agree with one another, and a fraction may make a considerable difference in large dealings. A remedy is being supplied by the tape quotations of the Exchange Telegraph Company, which are now given in most of the London evening and the provincial morning papers.

Omnium, "of all"; being composed of several distinct stocks.

Options.—The right to buy or sell stock at an agreed price for a given time. The former is a "call option," the latter a "put option," and the right to either is a "double option."

Par.—When the market price and the nominal value are the same.

Pay-Day.—(See *Settlements.*)

Points.—A slang term, with arbitrary meanings, to denote an up or down movement in prices.

Pool.—A number of persons combining for a joint purpose and sharing the risk.

Power of Attorney.—A legal authority to another person to act for the principal.

Preference Shares rank before Ordinary Shares, but after Debentures or Mortgages.

Premium.—The price above the nominal value at which any security stands in the market.

Prices always consist of two sets of figures; the lower being the selling, and the higher the purchasing.

Registered Stock can only change hands by formal transfer; unlike "Stock to Bearer." (*Ante*, p. 138.)

Rente.—A French term to denote the interest—which alone is saleable—on the National Debt.

Reserve Fund.—Profits set aside to meet contingencies.

Rigging the Market.—Buying up to create scarcity, and so force prices. (See *Banging.*)

Ring.—(See *Corner.*)

Rupee Paper.—Indian Government Certificates of indebtedness for money borrowed.

Scrip.—An abbreviation of "subscription." Temporary certificates exchangeable for Shares and Bonds on payment of calls.

Securities.—A term applied to all marketable stocks, however miscellaneous and unsatisfactory.

Selling out.—The remedy against a dilatory buyer.

Settlements.—The fortnightly accounts embrace three days. The first is for continuation or carrying-over, of which notice must be given to the broker, and mutual arrangements made, before 11.15 a.m. Next is the ticket-day, when the name, address, and description of the purchaser are supplied to the seller, so that transfers may be prepared, if needful. The third is pay-day, when stocks are delivered and accounts are settled; an anxious time for many persons. Stocks to bearer must then be delivered, but for transfers 10 days' grace are allowed.

Shares.—The nominal division of the capital, usually into Ordinary, Preference, Deferred, Founders, &c. Share Warrants are certificates of ownership; usually made to Bearer, and passing from hand to hand.

Shrinkage.—An expressive synonym of "depreciation."

Sinking Fund.—A reserve created to pay off a loan at a fixed date, or by periodical drawings.

Stag.—One who applies for shares to sell on allotment at a possible premium.

Stock.—In the published lists Stock is always quoted at the price per £100. "One" is equivalent to £1000 in value, and "one-half" is £500. Shares have diverse nominal values, and the prices vary accordingly. The former represent the original and titular denomination. The latter represent the market value, which fluctuates from day to day, and sometimes hour by hour.

Tape Machine.—The self-recording instrument of the Exchange Telegraph Company; giving the prices and their times.

Ticket-Day.—(See *Settlements.*)

Time Bargains.—Transactions for periods beyond the ordinary Account; designed to furnish opportunities for making profits without locking-up capital.

Transfer.—A stamped document, signed by seller and buyer, to show that certain stock has changed hands. (See Chapter xvii.)

Trustee Stocks.—Securities in which trustees may lawfully invest are defined by an Act of 1893, and by the rules laid down from time to time by the Court of Chancery.

Turn.—The difference between the price at which a jobber or dealer will buy a security, and the price at which he will sell.

Watered Stock.—Bogus capital created by the issue of paper stock without any equivalent payment of cash. (*Ante*, p. 218.)

Besides the above, many names, of a specific or local character, are used among the initiated, and slang terms are applied to denote particular stocks; but they need not be particularized.

APPENDIX B.

CLASSIFIED LIST OF PRINCIPAL ENGLISH INVESTMENTS TO DECEMBER 31, 1895.

(*Chiefly compiled from Burdett's "Off. Int.,"* 1896.)

CLASS OF SECURITY.	PRESENT AMOUNT.
	£
British Funds, &c.	771,484,926
Corporation Stocks (United Kingdom) ...	106,141,632
Colonial and Provincial Government Stocks	69,780,232
Colonial and Provincial Registered and Inscribed...	214,857,126
Railways—Ordinary Shares and Stocks " Leased at fixed Rentals ... " Debenture Stocks ... ... " Guaranteed Shares and Stocks " Preference	898,798,746
Foreign Stocks and Bonds	764,592,630
Indian Railways	104,464,141
Railways—British Possessions	121,873,615
American Railroad Shares	349,557,723
" " Bonds, Currency ...	49,689,338
" " " Gold	374,685,013
" " " Sterling ...	43,004,260
Foreign Railways	138,878,517
" Obligations	585,429,749

CLASS OF SECURITY.	PRESENT AMOUNT.
	£
Banks	61,279,484
Breweries and Distilleries...	61,819,035
Canals and Docks	43,883,857
Commercial and Industrial	90,317,905
Corporation Stocks (Colonial and Foreign)	46,772,968
Financial, Land, and Investment	77,341,328
" Trusts	56,066,753
Gas and Electric Lighting	36,134,770
Insurance	12,613,524
Iron, Coal, and Steel...	14,431,085
Mines	30,400,088
Shipping	12,957,985
Tea and Coffee	2,201,748
Telegraphs and Telephones	34,434,273
Tramways and Omnibuses	11,908,614
Waterworks	17,560,671
Total	5,203,361,736

*** The above total does not include Foreign Stocks the coupons of which are payable abroad, and the exact amounts of which are not ascertainable with accuracy, but are estimated by Burdett at £2,043,540,990 on December 31, 1895. Including this conjectural sum, the aggregate of investments is £7,246,902,726.

APPENDIX C.

CONSOLS: BANK RATE AND DIVIDEND: WHEAT.

1850-95.

THE HIGHEST AND LOWEST PRICES OF CONSOLS, WITH THE MEAN RATE OF DIVIDEND YIELDED; ALSO THE HIGHEST AND LOWEST BANK RATE OF DISCOUNT, AND THE MEAN PRICES OF WHEAT.

YEAR.	CONSOLS.					BANK RATE.		DIV. ON STOCK.	MEAN PRICE OF WHEAT.		
	Highest.	Lowest.	Mean Yield.			Highest.	Lowest.				
			£	s.	d.				£	s.	d.
1850	98⅛	94⅜	3	2	1	3	2½	7½	2	0	3
1851	99⅛	95⅝	3	1	4	3	3	7½	1	19	5
1852	102	95⅞	3	0	8	3	2	7½	1	19	10
1853	101	90¾	3	2	6	5	2	8	2	5	7
1854	95⅞	85⅛	3	6	3	5½	5	9	3	12	10
1855	93¾	86¼	3	6	8	7	4½	8	3	11	10
1856	95⅞	85¾	3	6	1	7	4½	9½	3	13	1
1857	94¼	86½	3	6	1	10	5½	10	2	19	2
1858	98⅞	94⅛	3	2	2	8	2½	10	2	6	10
1859	97⅜	88¼	3	4	8	4½	2½	8½	2	3	6
1860	95⅞	92¼	3	3	8	6	2½	9½	2	9	9
1861	94¼	89⅛	3	5	4	8	3	10	2	14	9
1862	94¾	91⅛	3	4	4	3	2½	8½	2	18	3
1863	94	90	3	4	9	8	3	8¾	2	6	8
1864	92	87⅛	3	6	6	9	6	11	2	0	9
1865	91½	86¾	3	7	0	7	3	10½	2	0	3
1866	90½	84⅝	3	8	3	10	3	11¾	2	6	10
1867	96⅜	89⅞	3	4	6	3½	2	10	3	1	7
1868	96⅛	91¾	3	4	0	3	2	8	3	7	9

YEAR.	CONSOLS.					BANK RATE.		DIV. ON STOCK.	MEAN PRICE OF WHEAT.		
	Highest.	Lowest.	Mean Yield.			Highest.	Lowest.				
			£	s.	d.				£	s.	d.
1869	94½	91¾	3	4	7	4½	2½	8¾	2	9	8
1870	94⅜	88½	3	4	10	6	2½	8¾	2	5	11
1871	94	91⅜	3	4	8	5	2	8¾	2	15	1
1872	93¾	91½	3	4	10	7	3	9½	2	16	9
1873	94	91¾	3	4	10	9	3½	10	2	17	8
1874	93⅝	91¼	3	4	10	6	2½	10	2	19	11
1875	95¾	91⅞	3	4	0	6	2	9	2	4	7
1876	97½	93⅜	3	3	2	5	2	9	2	5	9
1877	97⅜	93	3	3	0	5	2	9½	2	15	9
1878	98	93⅝	3	3	10	6	2	9½	2	9	5
1879	99⅝	94⅞	3	1	6	5	2	10½	2	1	10
1880	100¾	97⅜	3	1	0	3	2½	9½	2	5	7
1881	103	98¼	3	0	0	5	2½	9½	2	4	8
1882	102½	99	2	19	8	6	3	10½	2	6	4
1883	102¾	99⅜	2	19	2	5	3	10¼	2	1	9
1884	102¾	98⅞	2	19	4	5	2	9¾	1	17	10
1885	101½	94⅜	3	0	2	5	2	10	1	13	0
1886	102¾	99⅜	2	19	8	5	2	9½	1	10	11
1887[1]	103¾	99⅞	2	19	0	5	2	9¾	1	12	10
1888	103⅜	99⅛	2	16	4	5	2	10	1	11	6
1889	99¼	96½	2	16	3	6	2½	10¼	1	10	1
1890	98¾	93⅜	2	17	3	6	3	10½	1	11	5
1891	97½	94⅜	2	17	8	5	2½	11	1	15	9
1892	100½	96¼	2	17	6	3	2	10	1	13	8
1893	99⅝	97	2	15	10	5	2½	9¾	1	6	7
1894	103⅝	98⅜	2	14	5	2½	2	8½	1	1	11
1895	108⅛	103½	2	14	5	2	2	8¼	1	0	8

[1] Reduced to 2¾ per cent. until 1903, when they become 2½.

*** Consols reached the extraordinary price of 112½, April 18, 1896, after Sir Michael Hicks Beach made his Budget statement in the House of Commons. The Two and a Half Per Cents. reached 105¾–106. On June 1, the former rose to 113⅞.

APPENDIX D.

THE NATIONAL DEBT AND THE NATIONAL EXPENDITURE, AND THE RATE OF INCOME TAX AT INTERVALS OF FIVE YEARS, WITH THE DEBTS AND THE TAXATION OF OTHER COUNTRIES.

1850–1895 (FROM APRIL 5 EACH YEAR).

YEAR.	NATIONAL DEBT.		NATIONAL EXPENDITURE.	INCOME TAX IN THE POUND.
	Amount.[1]	Interest.		
1850	787,029,162	28,091,590	50,231,874	7d.
1855	793,375,199	27,647,899	84,505,788	1s. 4d. & 11½d.
1860	821,936,564	26,833,470	69,617,698	10d. & 7d.[2]
1865	806,935,963	26,369,398	66,462,207	4d.[3]
1870	800,681,428	27,053,560	68,864,752	4d.[3]
1875	768,945,757	27,094,480	73,116,000	2d.[3]
1880	771,605,908	28,762,874	84,105,871	5d.[2]
1885	740,330,654	29,548,239	89,898,222	6d.[2]
1890	689,944,026	25,226,760	86,723,168	6d.[2]
1895	656,998,941	24,977,912	94,538,685	8d.[4]

The only country the National Debt of which exceeds in absolute amount that of the United Kingdom is France, which stands at £1,085,555,014.

The other large amounts are as follows :—

Russia	£575,331,400
Italy	£491,571,000
United States	£339,375,429
Spain	£273,475,190
Austria-Hungary	£261,031,331
Hungary (Special)...	£183,681,136
Austria "	£129,002,220
Portugal	£153,990,503
Turkey	£120,082,124
Egypt	£104,774,520

[1] Including Funded and Unfunded Debt and Capital Value of Terminable Annuities, but not including sundry liabilities for barracks, &c., or certain estimated assets, like the Suez Canal. Taking all these into account, the net indebtedness, March 31, 1895, was £628,750,209.

[2] Free under £150.

[3] Free under £100.

[4] Under £160 exempt.

The Debts of all other countries are under one hundred millions; but, divided by the respective populations, the rate greatly varies per head :—

	£	s.	d.
Portugal	35	15	1
Uruguay	29	4	11
France	28	6	3
Netherlands	19	5	2
Great Britain	17	1	11
Italy	15	19	0
Spain	15	15	1
Egypt	15	7	10
Belgium	15	1	3
Greece	14	11	0
Hungary...	10	3	7

The taxation in European countries per head is as follows :—

	£	s.	d.
Great Britain	2	1	0
Netherlands	1	15	9
France	1	8	7
Greece	1	7	9
Spain	1	7	5
Denmark	1	4	6
Hungary	1	4	4
Belgium	1	1	4
Italy	0	18	7
Norway	0	17	2

APPENDIX E.

THE PRINCIPAL JOINT-STOCK BANKS, WITH THEIR CAPITAL, THE NOMINAL SHARE VALUES, AND THE LAST DIVIDENDS. *(See also Appendix F and H.)*

NAMES.	AUTHORIZED CAPITAL.	VALUE OF SHARES.	LAST DIVIDEND.
	£	£	Per cent.
African Banking Cor., Ltd. ...	2,000,000	10	4
Anglo-Californian	1,200,000	20	7
Anglo-Egyptian	1,200,000	15	6
Australian Joint Stock	3,000,000	10	4
Bank of Africa	1,575,000	18 15/-	12
Bank of Australasia	2,000,000	40	5½
Bank of Bolton...	1,000,000	20	5
Bank of British North America	1,000,000	50	4
Bank of China and Japan ...	1,800,000	8	—
Bank of Liverpool	8,000,000	100	10
Bank of Montreal	$1,200,000	$200	10
Bank of New South Wales ...	3,000,000	20	9
Bank of New Zealand	2,500,000	3 6/8	4
Bank of Scotland	4,500,000	Stock.	12
Bank of Tarapaca & London	1,000,000[1]	10	5
Bank of Victoria	3,240,000	10	5 on Pref.
Belfast Banking Co.	2,000,000	125	20 & 8
Birmingham Dist. and Cnties.	4,000,000	20	11¼
Bolitho, Williams, Foster & Co.	1,500,000	50	13
Bradford Banking Co.	1,400,000	100	11⅜
Bradford Commercial Jnt. Stk.	1,500,000	100	11
Bradford District	1,000,000	100	12½
Bradford Old	1,250,000	50	8
British of South America ...	1,000,000	20	8
British Linen Co.	1,500,000	Stock.	15
Capital & Counties	5,000,000	50	16
City	4,000,000	40	8
Clydesdale Bank	5,000,000	50	10

[1] £1875,000 subscribed.

NAMES.	AUTHORIZED CAPITAL.	VALUE OF SHARES.	LAST DIVIDEND.
	£	£	Per cent.
Colonial Bank	2,000,000	100	10
Commercial Bank of Australia	6,000,000	10	—
Commercial Bank of Scotland	5,000,000	100	15
Commercial Bg. Co. of Sydney	2,000,000	25	8
Consolidated	2,000,000	10	8
Craven	1,200,000	30	$15\frac{5}{7}$
Crompton & Evans Union ...	1,000,000	20	15 & bonus 1/-
Devon & Cornwall Bankg. Co.	1,000,000	100	15
English & Italian Bankg. Cor.	2,000,000[1]	10	—
English, Scottish, & Australian	1,575,000	35	4 on Debs.
Glamorganshire Bankg. Co. ...	1,750,000	30 Ord., 5 Pf.	7½ Ord. & Pref
Halifax & Huddersfield	2,000,000	40	8
Halifax Joint Stock	1,000,000	25	10
Hibernian	2,000,000	20	4
Hong Kong & Shanghai ...	$10,000,000	$125	10
Huddersfield Banking Cor. ...	1,700,000	100	10 & 5/- bonus.
Imperial Ottoman	10,000,000	20	8
International & Mort. of Mexico	$5,000,000	$100	3
International of London ...	1,000,000	20	—
Lancashire & Yorkshire ...	1,000,000	20	10 & 4/- bonus.
Lancaster Banking Co.	1,500,000	25	26
Leicestershire	1,100,000	25	10
Liverpool Union	5,000,000	100	12½
Lloyd's	12,000,000	50	13¾
London & Brazilian	1,500,000	20	10
London & County	8,000,000	80	20
London & Midland	6,000,000	60	15
London & Provincial	1,200,000	10	17
London & River Plate	2,000,000	25	16
London & South Western ...	3,000,000	50	10
London & Universal	1,000,000	20	3
London & Westminster	14,000,000	100	10
London & Yorkshire	1,500,012	£9 10s.	8½
London Bank of Australia ...	4,000,000	40 Ord. & 10 Pf.	5½ on Prefs.
London Bank of Mexico ...	1,000,000	10	6
London Joint Stock...	12,000,000	100	9
London, Paris & American ...	1,000,000	20	6
Manchester & County	5,000,000	100	15
Manchester & Liverpool Distr.	6,000,000	60	20
Mercantile of India...	1,500,000	25	5
Mercantile of Lancashire ...	1,000,000	20	5
Metropolitan of Eng. & Wales	7,500,000	50	12½
Munster & Leinster...	1,000,000	5	10
Natal	2,000'000	10	6
National	7,500,000	50	8
National of Australia	4,000,000	10	5 on Pref.
National of China	1,000,000	10	—
National of India	1,000,000	25	7
National of New Zealand ...	1,750,000	£7 10s.	5
National of Scotland	5,000,000	Stock.	15

[1] Four per Cent. Debenture Stock, £1,017,248; Four and a half ditto £2,023,965.

NAMES.	AUTHORIZED CAPITAL.	VALUE OF SHARES.	LAST DIVIDEND
	£	£	Per cent.
National Provincial	15,900,000	75 & 60	17
North and South Wales	2,400,000	40	12½
North Eastern	3,000,000	20	10
North of Scotland	2,000,000	20	6¼
North Western...	2,000,000[1]	20	6
Northern Banking Co.	2,500,000	50	11 and 5½
Nottingham & Nottinghamshire	1,300,000	20	8
Nottingham Joint Stock	1,000,000	50	10
Oldham Joint Stock	1,000,000	20	10
Pares' Leicestershire	1,000,000	25	12
Parr's and Alliance	5,000,000	100	19
Provincial of Ireland	4,080,000	100 & 20	10
Queensland National	3,000,000	8	3
Robinson, South African ...	3,000,000	4	—
Royal of Ireland	1,500,000	50	10¼
Royal of Queensland	1,425,000	9	2½
Royal of Scotland	2,000,000	Stock.	8
Sheffield and Hallamshire ...	1,000,000	100	10 & 1½ bon. a ct
Sheffield and Rotherham ...	1,200,000	50 & 200	10
Sheffield Banking Co.	1,000,000	50	10
Stamford & Spalding	1,200,000	30	8
Standard of Australia	1,000,000	5	—
Standard of South Africa ...	4,000,000	100	10 & 15/- bonus
Stuckey's Banking Co.	2,040,000	60	23⅓
Town & County	1,260,000	35	12½
Ulster	3,000,000	15	19¼
Union of Australia	4,500,000	75	5½
Union of London......	11,000,000	100	9
Union of Manchester	1,000,000	25	10
Union of Scotland	5,000,000	50	10
West Riding Union Bankg. Co.	2,000,000	50	16/- per share.
Williams, Deacon, Man. & Salf.	6,250,000	50	12½
Wilts & Dorset	2,500,000	50	20
York City & County	1,250,000	10	15⅝
York Union Banking Co. ...	1,500,000	60	10
Yorkshire Banking Co.	1,500,000	50	14

[1] 35,000 A £50 Shares; 15,000 B ditto £10 paid.

*** According to the *Bankers' Magazine*, April, 1896, the total liabilities of all the banks in the United Kingdom, including private banks, is £821,732,495, for acceptances, deposits, current accounts, notes in circulation, &c., in addition to the paid-up capital and reserve mentioned on page 171.

APPEN

HIGHEST AND LOWEST PRICES OF

Compiled from Burdett's *Official Intelligence*, Skinner's *Stock*
South African Mining and

	NAME OF STOCKS.	1880. H & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
	British Gov. Stocks—						
1	Consols 2¾ (Goschen's)...	100¾ 97⅜	103 98¼	102½ 99	102¾ 99⅜	102⅝ 98⅞	101½ 94⅜
2	Do. (Childers') ...	99½ 95½	101¼ 96¾	101¾ 98¼	102⅞ 98	102½ 99	101⅛ 93½
3	India 3½%	... ...	104¼ 100	102¼ 99½	103⅝ 101⅜	107½ 101½	103¾ 96
4	Do. 3%	... ...	... ...	... ...	... ...	... ...	92¼ 85¼
5	Do. Rupee Paper 3½%	... ...	... ...	... ...	... ...	... ...	... ...
	Corporation Stocks—						
6	Birmingham 3½% ...	... ...	103 98⅝	101⅛ 97¾	101 97¾	104¼ 99¼	101⅜ 98½
7	Do. 3%	... ...	... ...	... ...	... ...	... ...	... ...
8	Bradford 3%...	... ...	... ...	... ...	... ...	... ...	... ...
9	Cardiff 3½%	... ...	... ...	... ...	... ...	... ...	98½ 98
10	Liverpool 3½%	102⅞ 101¼	103⅞ 99	102¼ 98⅜	101½ 99½	105¼ 98⅜	102 98½
11	Manchester 3%	... ...	... ...	... ...	... ...	... ...	... ...
12	Metro. Cons. 3½% ...	105⅞ 101⅝	108⅝ 104	107¼ 104⅜	107¾ 103¾	113 104⅜	109⅞ 101

DIX F.

STOCKS AND SHARES, 1880–1895.

Exchange Year Book, Skinner's *Mining Manual*, Goldmann's *Finance*, and Mathieson's *Tables*.

1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	
H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	
102⅜	103¾	103⅜	99¼	98¾	97½	100½	99⅝	103⅝	108⅛	1
99⅜	99⅞	99⅛	96½	93⅜	94⅜	96¼	97	98⅜	103½	
102⅛	102⅞	101½	100¼	100	99⅜	100½	102¼	103⅞	106¾	2
99⅛	99⅜	97	98¾	95⅝	95⅞	96¼	99⅞	100⅛	103	
102¾	104¼	108¾	109¾	109⅛	110	109⅜	110⅛	113¾	118⅝	3
93⅛	100	103¾	106¼	104½	103¾	105	106⅛	108⅛	112⅜	
91½	94	100	102	101⅛	99⅜	98½	100¼	103¼	110	4
85½	84½	93¾	97⅝	94½	93⅛	94⅞	96⅝	98	102¾	
74¼	71¾	73⅛	69⅜	90⅜	82½	74½	71½	58⅛	62¾	5
64½	66¼	65	63¾	68	72½	62	61⅜	54½	52⅜	
105	105¾	112⅜	112⅞	111⅝	112⅜	115⅜	116⅞	120¼	124¼	6
100	102½	105½	110⅜	107⅜	107⅜	109	112¾	114	118¾	
...	94½	101	102	102	101½	102½	104½	108	113½	7
...	91¾	94⅜	98¾	99¾	98	98¾	100½	102⅛	105¼	
...	...	...	...	...	...	...	...	107	111	8
...	...	...	...	...	...	...	...	100⅞	105⅜	
99½	103¾	109¾	110½	109¾	109½	112⅜	115½	117¾	120	9
96¾	96¾	103⅛	107¾	106	104¾	106¼	111⅛	112¼	116¼	
104¾	105¾	112	114⅝	114¾	112½	116¼	119	125⅜	133	10
100	102⅜	105½	110½	110½	108⅝	111¼	115¼	116⅜	125	
...	...	...	...	...	97¾	100¾	102¾	107⅜	110¾	11
...	...	...	...	...	96	95	98⅜	101	104¾	
110	111	115½	113¼	113	111½	113⅜	115⅝	119⅞	123⅛	12
107	106	110⅛	111	109	107⅜	110	112	114⅜	118½	

NAME OF STOCKS.	1880. H. & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
13 Met. Cons. 3%	... ...	$99\frac{5}{8}$ $95\frac{3}{4}$	$99\frac{1}{4}$ $96\frac{1}{4}$	$98\frac{1}{4}$ $95\frac{1}{2}$	$103\frac{5}{8}$ $96\frac{3}{8}$	$100\frac{1}{4}$ 94
14 Do. $2\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	... ...
Colonial Gov. Stocks—						
15 Canada $3\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	94 $89\frac{1}{8}$
16 Do. 3%	... ...	... ...	... ...	... ...	... ...	... ...
17 Cape of Good Hope $3\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	... ...
18 Natal $4\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	... ...
19 Do. $3\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	... ...
20 New South Wales $3\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	... ...
21 New Zealand $3\frac{1}{2}$% ...	... ...	... ...	... ...	... ...	... ...	... ...
22 Queensland $3\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	... ...
23 Tasmania $3\frac{1}{2}$%	... ...	... ...	... ...	... ...	... ...	... ...
24 Victoria $3\frac{1}{2}$%...	... ...	... ...	... ...	... ...	... ...	... ...
Foreign Securities—						
25 Argentine 6% Funding	... ...	... ...	... ...	... ...	... ...	... ...
26 Chilian $4\frac{1}{2}$% 1886... ...	... ...	... ...	... ...	... ...	... ...	... ...
27 Do. 5% 1892	... ...	... ...	... ...	... ...	... ...	... ...
28 Egyptian Daira Sa. ...	... ...	$79\frac{3}{8}$ $68\frac{7}{8}$	$73\frac{3}{4}$ $48\frac{1}{4}$	$64\frac{1}{4}$ $60\frac{5}{8}$	$68\frac{5}{8}$ 56	$67\frac{3}{4}$ $53\frac{1}{2}$
29 Do. Pref.	$96\frac{7}{8}$ $83\frac{1}{4}$	$100\frac{1}{4}$ $90\frac{5}{8}$	$96\frac{1}{2}$ 73	$99\frac{1}{4}$ $85\frac{1}{4}$	$94\frac{5}{8}$ $80\frac{1}{8}$	$91\frac{1}{8}$ $75\frac{1}{2}$
30 Do. Unified	$72\frac{1}{4}$ $54\frac{1}{4}$	81 $69\frac{1}{4}$	$73\frac{3}{8}$ $47\frac{1}{2}$	$76\frac{5}{8}$ $61\frac{1}{4}$	$69\frac{3}{8}$ $56\frac{1}{2}$	$69\frac{1}{8}$ $58\frac{3}{8}$
31 Do. State Domain ...	$97\frac{1}{4}$ $84\frac{1}{8}$	$100\frac{3}{4}$ $89\frac{3}{4}$	$94\frac{1}{8}$ $70\frac{3}{4}$	$98\frac{1}{8}$ $83\frac{3}{4}$	$93\frac{1}{8}$ 80	90 $74\frac{1}{4}$
32 French 3% Rentes ...	86 $80\frac{5}{8}$	$86\frac{1}{2}$ $81\frac{1}{2}$	$83\frac{5}{8}$ $79\frac{1}{8}$	$81\frac{1}{2}$ $74\frac{1}{2}$	79 $74\frac{3}{4}$	$82\frac{1}{4}$ $75\frac{1}{4}$
33 Greek 1881	... ...	85 $67\frac{1}{4}$	85 71	$72\frac{3}{8}$ 65	74 $66\frac{3}{4}$	$69\frac{7}{8}$ 51

1886. H. & L.	1887. H. & L.	1888. H. & L.	1889. H. & L.	1890. H. & L.	1891. H. & L.	1892. H. & L.	1893. H. & L.	1894. H. & L.	1895. H. & L.	
100¼	102	106¾	104¾	102¾	103⅞	104⅞	106½	110½	114¼	13
94	96	100¼	101⅝	98¾	99⅞	100⅞	102⅝	105½	109¼	
...	...	...	...	91¼	89⅞	90¾	92⅞	99¼	104	14
...	...	...	...	85	86⅜	87	88¼	91½	99¼	
99¾	103¼	109	107¼	106	104½	105⅝	106	107¾	111	15
92¾	96½	101⅝	103⅛	101¾	100	101¾	101¼	102¼	104⅜	
...	...	95	97¾	96⅞	95¾	96	96¾	101⅛	103¼	16
...	...	92½	93⅜	91¾	91⅝	.91⅞	92	93⅜	97¼	
...	...	...	104⅝	103½	100¼	100¾	103½	111½	120¼	17
...	...	...	100¾	98½	96¾	95½	99¼	100⅛	110¼	
...	...	...	...	114½	112¼	109¾	110¾	115	124¼	18
...	...	...	...	109	106½	106¼	106½	107½	113	
...	...	...	101¼	101½	98⅞	95⅞	98⅞	107	109¾	19
...	...	...	98¾	96¼	90¼	91¼	94⅞	95¾	105¼	
...	...	107¾	106	103¾	103⅞	97½	97⅛	103⅛	109¼	20
...	...	99⅛	101¼	98	94	92¾	83⅛	95⅛	99¾	
...	...	...	...	98⅝	98¼	98	97½	103½	107½	21
...	...	...	...	93¼	91⅛	91½	90	96¼	100	
...	...	100⅜	103	101¾	98¾	95⅛	92¼	100¼	107¼	22
...	...	95¾	100	96¾	90⅛	87¾	75	90⅜	97	
...	...	...	101	100⅜	98¾	98	96	102¼	107⅝	23
...	...	...	98⅞	94½	92⅛	92¾	84	91	98¼	
...	...	...	105	103⅛	100½	98	93⅛	99⅞	105⅜	24
...	...	...	102⅜	97	93¼	89⅞	79	91¾	91¾	
...	...	...	...	...	71½	73⅞	75⅛	74¼	80⅜	25
...	...	...	...	...	47	49	59½	62⅞	66	
99⅛	101¾	103⅛	106⅞	105¼	99¾	94	89½	96⅜	99⅞	26
98¼	97⅜	97½	100⅜	98½	74½	87½	75	80⅜	92⅛	
...	...	...	...	...	...	97¾	96¾	102½	104¾	27
...	...	...	...	...	...	97¼	82¼	88¾	98	
75	74¼	80⅝	88⅛	88⅛	98¾	99	103½	105½	105	28
61⅜	64⅞	69½	79	79½	91½	93	98¼	102	98⅞	
98¼	100¼	104	105¾	105⅞	95	95⅞	98¼	103	104	29
87¼	91⅝	98⅜	101	100	85¼	87⅝	92½	97¼	96⅜	
77⅛	77	85⅝	94⅛	99	98¾	99⅜	102⅞	105⅛	105¼	30
63½	67½	72⅝	83¼	92½	91½	93⅞	97⅞	100⅛	99¾	
98	98½	103	105½	105⅞	104	105½	106	106¾	107½	31
87½	88	94	100½	100	101⅛	100¾	102	102⅞	102	
83½	81¾	83	88	95	95¼	100	98¾	103⅜	103	32
79¼	75	79½	81⅝	86¼	92	94	93¾	95¾	98¾	
69	75¾	86¼	95¼	96¾	91¾	83	76⅜	35	36	33
48⅜	54¼	66¼	81¾	87	72½	56¼	28⅞	28½	27	

NAME OF STOCKS.	1880. H. & L.	1831. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
34 Greek 4% Rts.	... ...	... ...	... ...	... ...	... ...	... ...
35 Hungn. Gold Rts.... ...	... ...	103¾ 91⅛	102¾ 97⅝	103⅛ 98½	103¾ 99¾	83¼ 72¾
36 Italian 5%	... ...	93¼ 85½	90¼ 83	92⅜ 85	98 88⅞	97½ 88
37 Mexican 6% 1888... ...	... ...	... ...	... ...	... ...	... ...	... ...
38 Peruvian Ord.	... ...	22⅞ 13	14⅞ 10¼	$13\frac{1}{16}$ 10⅜	14¼ 8⅛	11⅜ 6⅞
39 Do. Pref.	... ...	27 16¼	20¼ 13½	$18\frac{9}{16}$ 14	14⅞ 10⅞	16⅜ 9⅞
40 Russian 4%	... ...	95⅛ 86½	87 80¾	88½ 81⅞	96½ 73¾	97¾ 80¼
41 Spanish 4%	... ...	... ...	... ...	64¾ 55⅜	61¾ 54⅜	62⅛ 50⅛
42 Ottoman 3½% Cons. ...	90 61⅜	95¾ 71	93⅝ 52¼	94 62⅛	91¼ 64½	93⅞ 58⅜
43 Do. Group A	18¼ 12¼	25⅝ 15½	28½ 20	24¼ 17	36⅛ 23¾	38½ 25
44 Do. do. B	... ...	... ...	... ...	... ...	... ...	... ...
45 Do. do. C & D ...	15½ 9¼	20¼ 12⅝	17⅞ 10⅛	15 8¼	17¼ 13½	$17\frac{5}{16}$ 12½
46 Do. 4% 1891	... ...	... ...	90¼ 60¼	90⅞ 74	83⅞ 76⅝	86⅞ 68¾
47 U. S. 4% Fund	117¼ 106⅜	122⅜ 115	124 119	127 120	128 121	127 124
48 Uruguay 3½% Cons. ...	40 29¼	39⅝ 33½	46½ 32¾	57¼ 36½	60 51	52⅜ 43½
Home Rails—						
49 Brighton Ord.	153½ 135¼	145½ 136	147 119	129¾ 116½	122 112	120 105
50 Do Def.	164 133⅞	148¼ 127⅜	146⅞ 106½	122⅞ 99⅜	108⅝ 89⅞	104⅞ 79
51 Caledonian	117⅝ 103⅝	115¾ 100¼	112⅝ 100¼	110¾ 100⅜	103⅞ 92	103⅜ 90⅞
52 Do. Def.	... ...	... ...	... ...	... ...	... ...	... ...
53 Chatham & Dover ...	36⅛ 27¼	34⅞ 28¾	32⅜ 27⅜	29¼ 22	24¼ 17¾	20¼ 13¼
54 Do. Pref.	105¼ 94	106½ 100¼	109 102½	106¾ 100¼	106⅛ 94	98 73½
55 Do. 2nd do....	... ...	... ...	... ...	... ...	77 51	70[1] 50

[1] Approximate

1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	
H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	
...	...	...	78	76	74	62	60	28½	29⅞	34
...	...	...	73	68	49¾	44⅞	24	23	24	
87¾	82¾	86⅝	88¾	92¾	92¾	95½	96¾	102	104¼	35
79	72⅛	74¾	82½	84¾	86	90¼	90½	92¾	99	
101¼	99⅜	98⅜	97¾	97¼	94½	93⅝	92⅞	86⅞	90	36
95¾	90	91⅜	90⅜	90¾	85¾	86	77⅞	71⅛	82¾	
...	...	...	...	100½	93¾	87¼	85½	72½	97¼	37
...	...	...	...	84	79	76¾	52	57	69¾	
19½	18½	16½	17½	11¼	6¼	14¾	10 7/16	5⅝	6½	38
13⅝	10 7/16	13⅜	12¾	11¼	6¼	9¼	3⅞	2¼	2¼	
15¼	20½	18¾	20	31¼	37½	42½	35⅞	16	20 3/16	39
10 5/16	13 5/16	14⅞	14	31¼	18¾	34¼	13¾	8½	7	
101¼	99	101¾	94	100	100½	99⅛	101¼	103½	104¼	40
93⅛	89	88⅜	90	92¼	86½	91½	95⅞	97	99⅝	
68¼	68⅛	75⅝	77⅜	79½	78 9/16	68⅝	67½	74¼	78⅞	41
52¾	58⅜	65¾	71 1/16	70⅝	61⅝	56⅜	58⅝	62½	60⅛	
97	98	102	104½	105	105	105	106½	99¾	100⅝	42
66	67	71¾	83½	93¼	87⅞	92	95⅝	96	91¼	
27	23	26	38⅛	46⅝	45⅞	43½	53	56⅝	66	43
20	18	21¾	35⅞	37¼	38½	32¼	35½	46½	65	
15½	14⅛	14½	23⅛	27½	26⅝	32¼	35½	46½	48⅜	44
13½	12⅜	14½	21¼	21⅛	19¾	24¼	29⅜	35⅜	24½	
15¼	15 3/16	15⅝	17 13/16	19 13/16	19⅝	23¼	24½	29⅛	30⅝	45
12	12¼	12¾	17	17 5/16	16⅜	18¼	20⅜	22⅝	16⅞	
89⅜	90⅛	98¾	104½	105½	104¼	94¼	99½	104½	105	46
77¾	78	85	95⅜	99⅜	101¼	84⅜	93½	98	97¾	
132⅛	132¼	131¾	132	129¾	124⅛	120¾	117¼	118	116	47
125⅛	127⅛	126¾	129	123¼	119	116	112	114½	112½	
50⅛	73¾	76¾	75½	78½	55½	40¼	38⅞	50½	53¾	48
36¾	44⅛	65	68¼	38	29½	27	29¾	34¼	44¼	
133	137	145	162½	166½	165½	170½	169¼	173½	178	49
115¼	125	135	144	154	150½	157	158½	163	169	
119¾	122¾	133¾	164½	169¾	164	163¾	159⅝	161⅛	166¾	50
93⅜	106⅝	111⅞	131¼	149⅜	137½	145¾	142	147½	152⅝	
105⅛	105	118¾	129½	132	123¼	123¾	121¾	132	149¾	51
96¼	93½	99½	114⅞	114⅛	111¾	115½	111¾	112½	125½	
...	...	...	...	54⅜	47¼	47⅛	39¼	46½	55¼	52
...	...	...	...	41¾	35	36¾	30⅜	32⅝	40	
26¾	25⅛	25	29⅛	26½	20 5/16	20⅛	18	18⅛	21½	53
18⅛	19¾	19¾	22¼	18⅝	15⅜	16¼	12¾	12⅜	14½	
103⅜	102⅝	103¾	117	115¼	111¼	109¾	108¾	119½	125½	54
87½	95¼	95¼	102½	106¾	100½	104	93½	93½	117	
72	67¾	65¼	76	75	61	57⅞	50½	59½	74½	55
47	50	54	61½	61¼	47½	48	35	33	55½	

prices only.

NAME OF STOCKS.	1880. H. & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L
56 District	85⅛ 76½	82 63½	65⅝ 54¼	62⅛ 51½	72¼ 55½	60½ 34⅞
57 East London...	37¼ 20	35⅛ 27	27½ 18⅞	26½ 19	24¾ 17¼	17 9¾
58 Furness	151½ 127	152¾ 136¼	163 135	149 118½	118 105½	107 98½
59 Great Eastern	69¾ 57⅛	74 64⅜	79 69⅛	78 60⅞	69¼ 56⅞	69¼ 57⅞
60 Great Northern	128¾ 119	133½ 120	132½ 123½	124¾ 111½	116 109	114½ 104½
61 Do. "A"	134 116½	145½ 122⅞	143½ 133	134½ 107¼	112 95½	106⅝ 92½
62 Do. Def.	... ...	... ...	... ...	... ...	... ...	... ...
63 Great Western	132⅝ 112⅝	139⅛ 122¾	149 133¼	148½ 132¾	145⅝ 132⅝	140⅞ 124⅞
64 Hull & Barnsley	... ...	... ...	... ...	... ...	... ...	... ...
65 Lancas. & Yorkshire ...	137¾ 127½	137⅞ 130½	135¾ 127	132⅝ 109	118⅜ 111¾	117½ 104¼
66 Metropolitan Cons. ...	126 118	125 118	124 117	121 115	118 110	113 98
67 Do. Surplus Lands ...	... ...	... ...	... ...	... ...	... ...	... ...
68 Midland	144 132	143 132	143 134	140 131	137 129	134 125
69 North British Pref. ...	... ...	... ...	... ...	... ...	... ...	... ...
70 Do. Def.	... ...	... ...	... ...	... ...	... ...	... ...
71 North Eastern	177 148	178 157	179 163	175 165	171 153	160 142
72 North Staffords	89¾ 64½	89⅝ 79½	85¾ 77	93¼ 83	92½ 86	92¾ 81½
73 North Western	166 149	172 157	180 165	178 169	174 162	170 153
74 Sheffield Def.	65⅜ 42½	63¾ 43⅛	58 48	55⅜ 44⅞	45⅞ 34½	39 29
75 South Eastern	139¾ 125½	145 131	141¾ 127	132½ 121	128½ 119	123 110
76 Do. "A"	136 115	134 121	132 114	122 108	111 95	101 77
77 South Western	140¾ 132¼	141½ 132¼	138⅞ 131	136 128	131½ 122¾	129½ 119½
78 Taff Vale	... ...	... ...	... ...	... ...	... ...	... ...

1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	
H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	
44½	43¼	37	39	34¾	33⅜	33	34¾	32¾	31¼	56
37	33¼	29⅜	30⅜	28¾	28⅜	28¼	22 3/16	26 3/16	24½	
17⅜	13¾	12⅝	15½	11½	11⅛	10½	9	8	10½	57
8	7½	8½	9½	9¼	8	8	6 11/16	6	6¼	
106½	108	106¾	119½	119¾	104½	93	75⅞	85	71½	58
86¼	88¼	92¼	102½	98	85	73¼	65½	65	61½	
74¼	70⅜	72¼	84¼	94½	97⅛	91¼	86⅞	83¾	86¾	59
62¼	64¼	63¾	68⅛	80⅜	86¾	82¼	73⅜	70⅝	74⅞	
117¾	...	...	132½	128¼	113	114⅜	117½	116½	119¼	60
108	...	...	117¼	113¼	106¾	108	109½	109½	112¼	
113¼	109	106¼	116⅛	110½	90½	78¾	68	65½	56¾	61
102	96½	96½	103	91	70½	59¼	50	49	44½	
...	...	...	...	87	86½	76½	68¼	65½	57⅜	62
...	...	...	...	87	67½	58½	49½	48	44⅞	
139⅞	140¾	152⅛	172	170⅞	166¼	168⅜	168⅜	169¼	165⅜	63
126½	132¾	138⅛	151	159⅞	152⅜	156¼	150⅞	150½	155¼	
29¼	41¼	42½	39¾	41¼	41	41¼	33⅞	35	39⅜	64
14½	16	24½	32¾	34¼	31	31¾	20	26	30½	
115¼	123½	121¾	127½	125¾	118	112	109¼	116	130¾	
99¼	113½	114	116½	115½	105½	103½	102¼	102	113¾	
118	72½	77¾	92½	84¼	92	90¾	89⅝	93¾	96½	66
102¼	62	64	74¼	74¾	75½	85½	81⅛	79¾	88	
...	75	72½	71	68	74½	76	77¾	86	91	67
...	64¾	65½	67	62	62½	72	72⅝	73½	80¾	
131½	129¾	136½	150½	150½	163½	164¼	162⅞	162¼	159	68
122⅜	121½	124½	135⅜	139¾	147	152¾	146⅞	145¾	150¾	
...	...	77⅛	80¼	79¼	76¾	72½	73¼	79¼	85⅜	69
...	...	73	74¾	73¼	63¾	67¼	65½	70¼	76	
...	...	56½	65⅜	74⅞	52⅞	48⅛	40⅜	43⅜	46¾	70
...	...	50¾	54⅞	51¼	36½	36⅜	30	32⅛	36	
159¾	158⅝	163	178	175½	168½	163¾	161¼	166⅞	169⅜	71
142⅛	149¼	150	162¼	161¾	153½	151⅛	151½	154¼	158¾	
94¼	100½	114	119¼	120½	126¼	130	128¾	136¾	131¾	72
88¾	90¾	99½	112½	110½	120¼	122½	120	122	123½	
167	169¼	173	189	185¼	180⅜	177¼	176¼	179¾	187¾	73
151½	160	163¼	178¼	174	167¾	170¼	162	161½	174⅞	
41	44¼	40	49¼	53¾	39	39	33⅛	32¾	30⅜	74
32⅞	33¾	32¾	37⅝	34¾	31¾	32	22⅞	20	23½	
130½	132	135	138½	134	128	122	126	133	139½	75
117	124	124	130	125	114	107	111	112	131	
114	113⅜	114¼	117⅝	107¾	97¼	90¼	89	91⅜	95¼	76
92⅜	97	98½	104¼	95⅛	79¾	69¼	68⅜	65¾	83¾	
128¾	133	144	160	167	164	178	195	197	204	77
118¼	123	131½	143½	150½	153	161	175⅞	180	197	
...	...	...	87½	90	79⅜	81¾	88	83¼	84	78
...	...	...	80	63	69½	69	75½	75½	77	

NAME OF STOCKS.	1880. H. & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
79 Tilbury & Southend ...	120 94	179½ 120¼	167 142	158 144	153½ 137½	159 143
Col. & Ind. Rails, &c.—						
80 Bengal, Nagpur	... ...	... ...	... ...	... ...	... ...	... ...
81 Bombay, Baroda & Cen. India	134½ 123¾	142 131¾	148 136	148 140	156½ 143¼	154½ 132
82 Canadian Pacific	... ...	... ...	... ...	67⅞ 51⅝	59½ 41¼	65 36½
83 Do. 3½% 50-year Land Grant	... ...	... ...	... ...	... ...	... ...	... ...
84 Do. 4% Cons. Deb.	... ...	... ...	... ...	... ...	... ...	... ...
85 Delhi, Umballa & Kalka	... ...	... ...	... ...	... ...	... ...	... ...
86 Grand Trunk...	25⅝ 14⅝	26 15	29 15	28 16	18 7	12 6
87 Do. Guaranteed ...	... ...	... ...	... ...	... ...	82½ 70⅞	73⅛ 50
88 Do. 1st Pref.	103½ 67¾	106¾ 93¾	110 96	108½ 100¼	104¼ 71½	78⅝ 42⅝
89 Do. 2nd Pref.	96¼ 48½	98 76	101 76	99 81	88 43	48 29
90 Do. 3rd Pref.	49¾ 25⅜	54½ 33	64⅜ 32⅜	62⅜ 38¾	45¼ 20¼	25½ 14
91 Great Indian Peninsula	133½ 124½	140¼ 126¾	147¼ 134	148 140	152 139	145¾ 126
92 Hudson's Bay Shares ...	19⅛ 16	27⅝ 17⅞	40¾ 25⅝	33⅝ 20¾	26 21¼	24⅛ 14 15/16
93 Indian Midland	... ...	... ...	... ...	... ...	... ...	... ...
94 Madras	127½ 116¼	131 123½	130½ 123	130 124	131 124	129½ 113
95 Nizam State Railway ...	... ...	... ...	... ...	... ...	19 17⅝	18¾ 14⅞
96 Suez Canal	... ...	... ...	... ...	... ...	86⅛ 71⅞	88¼ 71⅛
97 Southern Mahratta ...	... ...	... ...	... ...	... ...	... ...	... ...
Foreign Rails—						
98 Buenos Ayres & Rosario	... ...	... ...	... ...	... ...	... ...	114¾ 86½
99 Central Argentine ...	20¾ 16½	24⅜ 19⅝	124 102¼	160½ 122½	183 150½	179½ 154½

1886. H. & L.	1887. H. & L.	1888. H. & L.	1889. H. & L.	1890. H. & L.	1891. H. & L.	1892. H. & L.	1893. H. & L.	1894. H. & L.	1895. H. & L.	
157¾	143½	135½	133¾	128	110¾	118½	114¾	117	123¾	79
140½	132	121½	118½	102½	95	108	104	104½	115	
...	110⅜	117	120	120½	120	119	118	121	122½	80
...	105	107¾	115¾	115	109½	114	113	113¾	118	
170	171¾	176½	190	191¾	189½	192½	196½	208½	229½	81
150½	160	160½	173	179	179½	181	184½	187	203	
75¾	70½	64½	76⅝	86½	95⅞	97½	93	75⅞	65⅛	82
63¼	52⅛	52½	48¾	66⅞	74⅜	87⅛	66½	59	35	
...	...	...	...	100¼	99¼	102¼	105¼	107	109½	83
...	...	...	...	94½	96	96½	100⅛	103	97	
...	...	...	...	103½	105¼	106	107⅞	108½	104⅜	84
...	...	...	...	97⅜	98¼	100¾	101¾	103¾	90¾	
...	...	...	...	121¼	115½	106	99½	96½	112	85
...	...	...	...	110	99	85	88½	83	96	
17⅜	17¾	13¼	13⅞	12¾	11¾	11 9/16	9⅜	7	7	86
9	11 1/16	9¼	9⅞	8¾	8¾	8¼	5⅞	5	4⅜	
79	82⅛	76¾	80¾	81¼	77¼	78¼	75⅛	62¼	54⅛	87
54	70	64¼	70½	68½	68½	67½	56⅞	44½	35	
85⅜	85¾	78½	80⅜	81⅛	74	73¼	65⅛	46⅜	44½	88
52¼	72½	56⅜	65⅜	54¾	55	56⅜	41⅛	34¾	26⅛	
70¾	74¾	60¼	61	60	54¾	54⅜	44¾	31	28	89
35½	52½	37½	45⅛	34	34½	36⅜	26 3/16	23	17⅞	
41	41¾	30¼	35¾	32¼	29⅞	30¼	23⅞	17¼	16 3/16	90
10⅛	25¾	21⅛	25¼	19½	19¼	19⅞	14⅜	12½	9 13/16	
153	161½	174	179	178	178	177½	174½	175	179	91
141	144	155	166¾	161½	168	167	158½	155	166¾	
26 11/16	25 9/16	23½	22 7/16	22½	19 5/16	16⅞	17	15⅛	16⅛	92
21 11/16	20⅝	16¼	18⅝	17⅝	14 3/16	13½	12¾	12½	12⅞	
110½	110¾	118	122½	124	120¼	119	118	120¾	121¼	93
106½	103	108⅜	116	115½	110	113	113	113½	117½	
131½	134¾	146	150	151½	153½	151	151⅜	159½	171½	94
125½	125½	131⅜	143½	145½	139	142½	142	145¼	156½	
109	113¾	118½	121½	126	124¾	120½	119½	123	130	95
100½	106¼	108½	112½	117	113½	115½	115½	114½	120	
88¾	83⅞	89½	97½	97½	116	113	109½	125	135	96
77⅞	75	81½	85¼	90	94	102½	100½	106	121½	
106	111½	116½	118⅞	117½	116½	116½	116	122	129	97
99¼	101½	107¾	112	112	109	110	109½	112¾	119½	
164¼	169	181	185½	172½	138	84	80	71	69¼	98
114	138	157	162	119	61	56	46	50	55	
179⅛	200	218	219	185½	94½	75¼	72⅜	73⅜	74½	99
154	164	165	172	85	40	40	50	56	65	

	Name of Stocks.	1880. H. & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
100	Central Uruguay of Montevideo	... ...	... ...	... ...	... ...	... ...	... ...
101	Gt. Western of Brazil ...	... ...	... ...	28¼ 25	27⅛ 22¾	26¼ 21½	22⅞ 19½
102	Mexican Cent. 4% Cons. Mort.	... ...	... ...	... ...	... ...	... ...	... ...
103	Mexican Rails	14 5	99¾ 11	149⅛ 81¾	146¾ 60½	64⅜ 25	37½ 20 11/16
104	Do. 1st Pref.	26⅜ 17¼	141⅞ 120⅝	157 129½	145¾ 114½	117 68	94⅜ 71½
105	Do. 2nd Pref.	104⅜ 11	104⅜ 82½	119½ 89¼	109 74½	76¾ 35	53½ 33¼
106	North West. of Uruguay	... ...	... ...	... ...	... ...	... ...	47½ 19
	American Rails—						
107	Atchison, Topeka, and Santa Fé	... ...	... ...	... ...	... ...	... ...	... ...
108	Do. 2nd Mort. 4% Class "A"	... ...	... ...	... ...	... ...	... ...	... ...
109	Baltimore & Ohio Com. Cap. Stock	... ...	... ...	... ...	... ...	... ...	... ...
110	Central Pacific	119 85½	105½ 87	100¾ 88¾	91¾ 63¾	68⅞ 29⅞	51 27½
111	Chesapeake & Ohio 4½% 1892	... ...	... ...	... ...	... ...	... ...	... ...
112	Chicago & Milwaukee...	... ...	130¾ 107	131¼ 102	110⅞ 95⅛	97 61	101⅞ 66½
113	Denver & Rio	... ...	... ...	76 40⅛	52⅜ 23½	26 1/16 7½	24¾ 4¾
114	Do. Pref.	... ...	... ...	... ...	... ...	... ...	... ...
115	Erie...	52⅜ 31	54 42¼	44¾ 34	42 28⅜	29 1/16 11½	29¼ 9½
116	Do. 2nd Mort.	107 80	110½ 101	104 89¾	102¼ 93	96½ 46⅜	94⅛ 46¾
117	Do. Pref.	93¼ 55	98½ 84¼	90¼ 70	86 74	75½ 29	57½ 20½
118	Illinois Central	132 102½	150 129	155 131	152⅛ 128⅞	142 113	143⅜ 122
119	Do. 4%	... ...	... ...	... ...	... ...	... ...	... ...
120	Lake Shore	... ...	... ...	... ...	118⅜ 97⅜	106⅛ 61⅛	93 52½
121	Lehigh Valley 1st Mort. 4½%	... ...	... ...	... ...	... ...	... ...	... ...

1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	
H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	
...	...	...	...	160	113	80½	80¾	102¾	114¾	100
...	...	...	...	104	72½	55¼	60	69¼	96	
21	20⅛	22¼	21⅞	17¾	17	13½	14¼	18⅛	18¼	101
16⅛	18⅛	19¼	16	14½	11⅞	10⅜	10	11½	13¾	
...	...	74½	75	81¼	77	75½	68⅛	61½	73¾	102
...	...	64¾	66½	68¾	70¼	66	45	49½	55¼	
57⅝	67½	54¾	58	67¾	52	34¼	24⅜	20¼	26¾	103
25⅛	34⅞	37¾	39⅛	31⅛	27⅞	20¾	10½	12⅞	14	
118⅝	131⅝	127⅝	133⅝	134¾	125⅝	113	87¾	78	87¼	104
78¼	107¼	109½	112⅜	109¾	102⅝	76¼	54½	55¼	57	
77½	90	86⅛	93½	95⅜	85½	58⅛	50	44½	44½	105
37½	65	67½	68¼	67½	46⅞	35½	36½	27⅜	28	
79	81	84	91¼	88	57	37¼	28½	36	33	106
37	60½	66½	77¼	57	25	24¼	19¼	19¾	25	
...	...	...	...	...	49	48	37½	16½	24	107
...	...	...	...	...	25¼	43¼	12¾	3	3½	
...	...	...	...	73½	69½	69⅞	59⅛	40¼	38	108
...	...	...	...	48⅞	41	54¼	31	15½	15½	
...	...	...	...	...	...	100¼	100⅛	83½	68	109
...	...	...	...	...	...	95¾	58	60⅞	30	
52⅛	52⅛	45⅛	38	38⅛	36½	36¾	30½	19	21⅜	110
38¾	38¾	28	34¼	27	27½	28	14¼	10½	12⅜	
...	...	...	...	...	...	...	86½	80¼	86¼	111
...	...	...	...	...	...	...	70¼	75	65	
101¾	101¾	97½	76½	81½	84⅞	86¾	85⅛	69¼	80	112
84⅜	84⅜	72¼	62⅛	45	52½	77½	50	59¾	54⅜	
19⅞	19⅞	33⅞	23⅞	22¾	21¼	19⅜	19	13½	18⅜	113
16	16	21¼	14⅝	14	13½	15⅞	7¾	7½	9⅞	
...	70⅛	56⅝	54⅜	63¾	65¾	56⅜	58⅞	38	56⅜	114
...	54	43⅞	42⅝	46½	41⅛	46¼	26	24 3/16	33⅜	
39⅜	36¾	31⅜	31⅝	30⅜	35½	36	27¾	19½	15⅜	115
22¾	25½	22⅞	26⅛	16¼	18	23¾	8⅞	9¾	7¾	
106	106⅞	104⅞	110	108½	112	112⅜	107½	88½	82¾	116
100½	95¼	93¾	100	96	98	103	57½	64	55⅜	
83⅜	77½	69	74½	71	78⅜	71	59¾	40½	32	117
52	61¼	53½	65	51	48	51	19	22½	16¾	
146½	141⅛	127	123¼	124	113⅜	113¾	107¼	98¼	109	118
135½	118	115	110½	90½	93¾	98½	88	84	82	
...	...	105	106	106	101	106¼	107¼	107⅜	112	119
...	...	102	102½	99¾	96¾	100¼	101	102	101	
103⅜	141⅛	127	122¼	117⅛	130¾	139	136½	143	155½	120
77⅜	118	115	110½	106	109¼	125	111½	124	137	
...	...	...	...	...	107	108½	108¾	106½	107½	121
...	...	...	...	...	103¼	104	94	99½	102	

NAME OF STOCKS.	1880. H. & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
122 Louisville & Nashville...	... ...	... ...	... ...	... ...	50 23¼	53¾ 23⅜
123 Missouri, Kansas, and Texas	... ...	... ...	... ...	... ...	... ...	30[1] 25
124 Do. 1st Mort. Gld. ...	... ...	... ...	... ...	... ...	... ...	... ...
125 New York Central ...	... ...	159¾ 135¼	140½ 127	133 116½	120⅛ 86½	110¾ 83½
126 New York & Ontario ...	... ...	... ...	... ...	... ...	17⅛ 8¼	22 6½
127 New York P. & O., 1st Mort.	... ...	70¼ 45¼	62 42¼	58½ 39½	50⅜ 31½	41⅛ 21
128 Norfolk & West. Pref.	... ...	... ...	59⅛ 50	51½ 35	42⅛ 21	35½ 14¼
129 Do. 100 years old 5%	... ...	... ...	... ...	... ...	... ...	... ...
130 Northern Pacific Pref....	... ...	... ...	... ...	... ...	... ...	70[1] 60
131 Do. 1st Mort., 1921...	... ...	... ...	... ...	... ...	... ...	116½ 102½
132 Oregon & California 5% 1st Mort.	... ...	... ...	98 80	101 91½	93½ 65	97½ 59
133 Pennsylvania...	69½ 49¼	72⅜ 67¼	66⅞ 55	66⅞ 57¾	62⅛ 51	57⅞ 46¾
134 Philadelphia & Reading	37½ 8⅛	37½ 26½	35⅜ 25¼	30⅞ 24⅜	30½ 8½	13⅞ 6⅜
135 Southern Railway Ord.	... ...	... ...	... ...	... ...	... ...	... ...
136 Do. Pref.	... ...	... ...	... ...	... ...	... ...	... ...
138 Union Pacific	... ...	... ...	123¼ 117¾	101¾ 77½	84 30¾	64⅝ 42½
139 Wabash	... ...	61⅜ 35⅛	40⅝ 25	36⅝ 17	20 4⅜	15⅜ 1¾
140 Do. Pref.	... ...	99½ 68¼	72⅝ 48	58½ 30⅝	32¼ 10¼	25¾ 4¾
141 Do. General Mort. ...	... ...	107½ 91	93¾ 75½	86 63	70⅝ 35½	57½ 25
Banks—						
142 Bank of England	280½ 269¾	299 279	291½ 282¼	302 288½	313¼ 295	308½ 287½
143 Brit. of South America	... ...	... ...	... ...	... ...	... ...	... ...
144 Cap. & Counties, £10 pd.	... ...	... ...	... ...	... ...	... ...	... ...

[1] Approximate

1886. H. & L.	1887. H. & L.	1888. H. & L.	1889. H. & L.	1890. H. & L.	1891. H. & L.	1892. H. & L.	1893. H. & L.	1894. H. & L.	1895. H. & L.	
70 1/8	71 7/8	65 3/4	90	95 3/8	86 7/8	87 3/8	80 1/4	59	67 1/2	122
34 1/8	56 1/2	52 5/8	57 7/8	67	67 7/8	66 7/8	41 1/2	43	39 1/2	
39 1/8	35 3/8	18 7/8	14 9/16	21 5/16	21 1/8	21	16 3/8	17 5/16	19 3/8	123
24	17 1/4	10 1/8	9 3/4	12 1/2	11 7/8	13 5/8	7 7/8	11 3/8	9 1/8	
...	...	...	...	...	82	84 3/4	85 1/2	85 5/8	93 3/8	124
...	...	...	...	...	77 1/4	81	73	79 1/2	80	
120 1/2	118 7/8	114 1/8	113 1/4	113 3/4	123 5/8	122 3/4	114 1/2	105 3/4	107	125
101 1/4	105 1/4	105 3/4	107 7/8	98	101	111	96 3/4	98	94 1/2	
23 1/8	20 7/8	18 1/8	23 11/16	23 1/4	24	23 1/4	20 1/16	18 1/2	19 3/4	126
15 1/4	15	14 1/8	15 1/8	13	14 7/8	18	11 1/4	14 3/8	11 7/8	
55 5/8	51 1/8	43 1/2	37 1/4	41 3/4	42 5/8	40 1/2	30 7/8	22 1/2	28	127
33 1/2	37	32 1/4	29 1/4	29	29	28 1/8	16 1/4	14 3/8	13	
60 1/2	56 7/8	60 1/8	64	68 5/8	59 3/8	57 1/2	40 7/8	27 1/4	19 3/4	128
26	36	43 1/4	48 7/8	47 5/8	47 1/8	38 3/8	16 3/4	17	6 3/4	
...	...	...	...	100 1/2	99 1/2	97 3/4	94 1/4	77 1/2	71	129
...	...	...	...	96	93 3/4	92 1/2	76 1/2	57	46	
68 5/8	65 1/4	65 1/2	79 3/8	88 5/8	81 1/2	74 3/4	51 1/4	24	27 3/8	130
60 3/8	43 5/8	43 7/8	60	56 3/4	61 5/8	46 7/8	15 1/2	12 3/4	10 3/4	
123 1/2	121 3/4	122	123	122	121	121 3/4	121 3/4	119	121	131
113	117 1/4	116 3/4	117	115 1/8	115 1/4	118 1/8	100 1/4	109	114 1/4	
108 1/2	104 7/8	101 1/2	105 1/2	106	100	103	101 3/8	84 3/4	94	132
94	104 7/8	95 1/2	97	97	96	96 3/4	80	73 1/2	71	
62 5/8	61 5/8	58	57 1/2	58 1/2	59 1/4	59 1/4	56 3/4	54	58 3/4	133
52 1/2	54 1/2	53	52	49	50 3/4	54	47 3/4	49	48 1/2	
26 7/8	36 7/8	34 3/4	25 3/4	25	22 3/4	32 1/2	27 3/8	12 1/16	11 13/16	134
9 3/4	28 3/4	27 1/16	19 1/8	14 3/8	13 7/16	20	6	6 7/8	2 1/8	
...	...	...	...	...	...	...	...	...	15 3/4	135
...	...	...	...	...	...	...	...	...	7 3/8	
...	...	...	...	...	...	...	...	...	44 7/8	136
...	...	...	...	...	...	...	...	...	24 1/2	
69 1/2	65 3/8	68 1/4	73 1/8	70 3/4	53 3/4	51 3/4	43 3/4	23 1/2	18 1/2	138
46 3/4	46	50 1/2	58	41 1/2	33	36 1/2	16 1/8	7	3 3/8	
25 7/8	22 5/8	16 1/2	18 1/2	18 7/8	17	15 3/4	12 3/8	8	10 3/8	139
9	13	11 1/2	12 1/2	9	9	10 1/8	6 3/4	6	5 7/16	
43 3/8	38 7/8	30	35	37 1/2	35	34 1/2	26 13/16	19 1/4	27	140
16 3/4	24	20 3/8	25	15 7/8	17 1/2	23	11 1/2	13	12 1/2	
71 1/2	65	56	55 1/2	59 3/4	53 1/2	52	41 1/4	29 1/2	36 1/4	141
48 3/4	44	38	35	29	28 1/2	34	19	19 3/4	19	
299 1/2	310	332	246	341	343	344	343	338	336	142
291	293	303	320	327	323	325	325	322	322 1/2	
15 1/4	16	14 5/8	16	14 1/4	17 1/2	13 7/8	13 3/4	13 7/8	15 3/4	143
12 1/8	11 1/4	11 1/4	12 3/4	11 1/2	10	10 7/16	10 3/4	10 1/4	13 3/4	
...	...	...	...	42	41 1/2	38 3/4	34	34 1/4	37 3/8	144
...	...	...	...	39 1/2	38	33 1/2	30 1/2	32	33 5/8	

prices only.

NAME OF STOCKS.	1880. H. & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
145 Chartd. of Ind., Aust. &	24¼	25¼	25¼	24⅝	24¾	22¾
China	21⅝	21¾	21½	21¾	20	19¼
146 City, Ltd.	19	20¾	22⅛	22¼	21¼	19⅝
	15½	17¾	18¾	20	18½	17½
147 Cons., Ltd., £4 pd. ...	7¾	7⅞	8¼	8¼	7⅞	$7\frac{11}{16}$
	$6\frac{15}{16}$	$7\frac{5}{16}$	$7\frac{5}{16}$	$7\frac{1}{16}$	$6\frac{15}{16}$	6⅝
148 Lloyds', Ltd., £8 pd. ...	...	...	...	...	...	24⅞
	...	...	...	...	...	21¼
149 London & County, Ltd.,	74½	77½	81¾	83½	85	83½
£20 pd.	58½	69½	72¾	77¼	79½	75
150 London & Midland,	...	...	...	...	...	...
£12½ pd.	...	...	...	...	...	...
151 London & Westminster,	66½	74⅛	74¼	71⅜	71	69¾
Ltd., £20 pd.	54	65¼	66	65½	66¾	63
152 London Jnt. Stock, Ltd.,	46¾	48⅜	57	48⅜	46	41
£15 pd.	40	43¼	44	44	39	36⅛
153 Metropolitan of England	...	...	...	...	...	...
and Wales, £5 pd. ...	...	...	...	...	...	...
154 Natl. Prov. of England,	48	47⅜	48½	50	50½	51
Ltd., £12 pd.	41	43¾	43¼	45¾	45	47
155 Natl. Prov. of England,	43	41	42½	44½	43⅞	44
Ltd., £10½ pd.	37	38	38¼	40	40¼	40
156 Parr's & Alliance, £20 pd.	...	...	...	...	...	...
	...	...	...	...	...	...
157 Union of Australia, Ltd.,	66	66¾	67	76	77¾	75
£25 pd.	59	58¼	58⅛	66½	69	67½
158 Union of London, Ltd.,	43	44¼	50¼	46⅜	44	59¾
£15½ pd.	35	40	42⅛	42½	38	35⅜
Breweries—						
159 Allsopp & Sons, Ltd. ...	...	...	...	...	...	...
	...	...	...	...	...	...
160 Do. 6% Pref.	...	...	...	...	...	...
	...	...	...	...	...	...
161 Bass, Ratcliff & Co. Pref.	...	...	...	...	...	...
	...	...	...	...	...	...
162 Guinness, Son & Co., Ltd.	...	...	...	...	...	...
	...	...	...	...	...	...
163 Do. 6% Pref.	...	...	...	...	...	...
	...	...	...	...	...	...
164 Parker's, Burslem... ...	...	...	...	...	...	...
	...	...	...	...	...	...
Commercial, Industrial, &c.—						
165 British Gas Light... ...	...	...	...	...	...	...
	...	...	...	...	...	...

1886. H. & L.	1887. H. & L.	1888. H. & L.	1889. H. & L.	1890. H. & L.	1891. H. & L.	1892. H. & L.	1893. H. & L.	1894. H. & L.	1895. H. & L.	
23¾	24½	26¾	29½	30⅜	29⅜	24½	23¾	24⅜	28½	145
21	22	23¼	24	25	22	19½	18	19¼	22 7/16	
20 5/16	21	21⅜	23¼	24⅞	24½	23¼	22½	20⅛	18¾	146
17⅞	18⅝	19¾	20¼	22	20¾	20	17¾	16½	17	
7 7/16	7⅞	8⅜	9⅛	9	8¾	8½	8 3/16	7⅞	7⅜	147
6¾	6⅞	7½	7 13/16	8⅛	7¾	7⅝	6⅞	7	6¾	
23	22¾	24¾	28¼	29¾	29½	29½	28¼	26⅜	26¾	148
20	20¾	21¼	24¼	26½	27¼	26½	24⅞	23⅜	23⅜	
83⅞	86½	88	95½	95½	96½	95	94	94½	95½	149
78½	80½	83	86¼	88	90	88½	84	87½	89½	
...	...	...	...	...	...	38¾	37	38¼	40½	150
...	...	...	...	...	...	35½	34¾	35¼	37¼	
66¼	67¼	70	74½	75⅜	75½	72	64	58	55¾	151
61	61⅝	64	67	69½	67¾	60	52	51½	49½	
39½	39¼	40¾	42½	42¾	40¾	38¼	39¾	34⅛	34¼	152
36	35¾	37	38⅝	36	35½	32¾	30½	30	30⅞	
...	...	...	...	...	...	17¼	17⅛	16¼	16⅛	153
...	...	...	...	...	...	16	15¼	15	12¾	
51¼	52⅞	53	57½	64	54½	54	54	51⅛	52¼	154
47½	48¾	49	50¼	51½	49⅜	50⅛	47	46½	47¾	
44	45	45	50	54¾	46¼	47	46½	44	44¾	155
41	42	42½	43¼	44	41½	42	40	40½	41½	
...	...	...	...	...	...	75	79¾	78½	81	156
...	...	...	...	...	...	72¾	71	73	76¼	
74⅝	71½	65	68¾	72¼	69½	64½	58½	46¾	38	157
67	57¼	58	61	63½	61½	52½	33	31¼	30	
38⅛	39⅞	41¼	43¾	44¼	43	40¾	37¼	34¼	33½	158
34	35	37¼	39	39	38¾	34½	30¾	30½	30⅜	
...	153¾	127½	93⅛	86¼	47	27⅜	55	135⅛	150¼	159
...	116¼	77½	78⅛	40	20¾	12½	17¼	53¼	127¼	
...	131¼	135	127	116	95	75¼	114½	142¾	150½	160
...	122½	107½	111⅞	91¾	63	44⅜	56	112	137½	
...	...	...	...	118	122½	127¾	130⅞	139	152½	161
...	...	...	...	114	115	121	121	125½	135½	
...	300	330⅝	247½	357½	333	340	345½	364	481⅞	162
...	251⅞	274⅜	300	298⅛	298⅛	312½	311¼	341	370	
...	142½	156½	159¾	159½	160½	165	166½	175	194	163
...	132½	141¼	151	150	151¼	155¾	151	162	177	
...	...	...	...	14	14⅛	14¾	14⅛	15 15/16	20 13/16	164
...	...	...	...	12	11½	12⅞	11½	12 9/16	15⅛	
...	...	...	...	46¼	46½	45	44½	49¾	56	165
...	...	...	...	43	42	40½	41¼	43	48½	

NAME OF STOCKS.	1880. H. & L.	1881. H. & L.	1882. H. & L.	1883. H. & L.	1884. H. & L.	1885. H. & L.
166 City of London Electric	...	...	...	...	...	...
	...	...	...	...	...	...
167 Coats, J. & P.	...	...	...	...	...	...
	...	...	...	...	...	...
168 Gas Light & Coke "A"	...	200	$183\frac{1}{2}$	207	227	$241\frac{1}{2}$
Ord.	...	182	167	$183\frac{1}{2}$	199	219
169 Gordon Hotels	...	...	...	...	...	...
	...	...	...	...	...	...
170 Metro. Electric Supply	...	...	...	...	...	...
	...	...	...	...	...	...
171 Pawson & Leaf, Ltd ...	$7\frac{1}{8}$	$6\frac{3}{4}$	$5\frac{15}{16}$	6	6	6
	$5\frac{3}{4}$	$5\frac{1}{2}$	$4\frac{3}{4}$	5	$4\frac{15}{16}$	$5\frac{1}{4}$
172 Price's Patent Candles	...	...	...	...	...	$16\frac{1}{8}$
	...	...	...	...	...	$11\frac{1}{8}$
173 South Metro. Gas "A"	...	...	$212\frac{7}{8}$	279	276	291
	...	...	196	$209\frac{1}{2}$	242	258
174 Do. Gas "B"	...	...	...	$235\frac{3}{8}$	226	$238\frac{1}{2}$
	...	...	...	185	210	$218\frac{1}{2}$
175 Spiers & Pond	...	...	...	...	...	...
	...	...	...	...	...	...
Telegraphs and Trusts.—						
176 Anglo-American, Ltd....	67	62	$57\frac{1}{2}$	$52\frac{3}{8}$	$44\frac{1}{4}$	$35\frac{1}{8}$
	$56\frac{1}{2}$	$47\frac{5}{8}$	47	42	$30\frac{3}{8}$	26
177 Cuba, Ltd.	...	...	...	...	$11\frac{3}{8}$	$12\frac{15}{16}$
	...	...	...	...	$9\frac{7}{8}$	$10\frac{3}{8}$
178 Direct U.S. Cable, Ltd.	...	$11\frac{7}{8}$	13	$13\frac{1}{8}$	$11\frac{1}{4}$	10
	...	$9\frac{15}{16}$	10	$10\frac{1}{2}$	$9\frac{3}{16}$	$8\frac{9}{16}$
179 Eastern Extension, Ltd.	$10\frac{3}{8}$	$11\frac{3}{8}$	$12\frac{5}{16}$	$12\frac{1}{2}$	$12\frac{9}{16}$	$13\frac{1}{4}$
	$8\frac{1}{2}$	$9\frac{15}{16}$	$10\frac{5}{8}$	$11\frac{1}{8}$	11	$11\frac{1}{4}$
180 Globe Telegraph & Trust	$7\frac{1}{8}$	$6\frac{15}{16}$	$6\frac{5}{8}$	$7\frac{3}{4}$	$7\frac{5}{8}$	$7\frac{3}{16}$
	$5\frac{1}{16}$	$5\frac{7}{8}$	$5\frac{15}{16}$	$6\frac{7}{8}$	$6\frac{3}{8}$	$6\frac{5}{16}$
181 National Telephone, Ltd.	...	...	...	...	...	$13\frac{1}{8}$
	...	...	...	...	...	$9\frac{7}{8}$
182 Railway Investment Pref.	...	...	...	...	...	...
	...	...	...	...	...	...
183 Do. Def.	...	...	...	...	...	...
	...	...	...	...	...	...
184 Do. Shareholders Trust,	...	...	...	...	...	...
Ltd.	...	...	...	...	...	...
185 Submarine Cables Trust	264	297	288	262	208	105
	230	263	250.	190	152	98

1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	
H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	H. & L.	L. & H.	H. & L.	
...	...	...	...	...	10 1/16	11 1/4	13 1/8	14 3/4	15 7/8	166
...	...	...	...	...	8 3/4	9 7/8	10 3/4	10 3/8	12 3/4	
...	...	...	...	12 1/2	16 5/16	16 13/16	16	22 15/16	33 7/8	167
...	...	...	...	12	12	13 3/16	13 1/4	15 1/8	22 1/2	
253	259 1/2	263	269 1/2	254	252	226 1/2	237	255	300 1/2	168
233	228	233	239	232 1/2	206	202	217 1/2	226 1/2	253 1/2	
...	...	...	...	13 7/8	14 5/8	16	16 1/2	17 1/8	20 9/16	169
...	...	...	...	11 1/4	12 3/8	14 5/16	14 11/16	14 7/8	15 7/8	
...	...	...	...	...	10 1/2	10	8 1/4	10 3/8	12 1/2	170
...	...	...	...	...	9 3/4	16 1/2	5 5/16	7 1/4	9 15/16	
6 3/4	6 7/8	6 5/8	7	7 1/8	7 5/8	6 7/8	6 1/4	5	5 3/4	171
5 3/4	6	5 7/8	6 1/8	6 1/2	5 5/8	5 3/4	4 1/2	3 15/16	4 1/4	
18 3/4	18 3/4	22	25 1/2	27	31	28 1/2	26 1/2	27 7/8	35 1/2	172
15 5/16	16 3/4	17 1/4	21 1/4	23 5/8	25 1/8	23	22 1/2	24 1/2	27	
311	325	324	226	305	289	292	311	342	381	173
289	297	297	283	283	255	265	287	309	341	
253 1/2	249	254	249 1/4	239 1/2	246	237 1/2	252	290	313	174
233	235	228	216	224	219	214	236 1/2	244 1/2	285	
...	...	...	...	16 1/2	17 1/8	16 1/4	17 1/2	17 1/2	19 7/8	175
...	...	...	...	14	13 13/16	13 3/4	15 11/16	15 3/4	17 1/16	
41 5/8	40 1/4	50 3/8	54	53 1/2	51	51 7/8	55 1/4	44 1/2	50	176
30 1/8	31	35 1/2	48	48 1/2	42 3/4	46 1/2	43 3/4	35 1/2	38 1/2	
11 3/4	12 5/8	14 1/2	15 7/16	14 3/4	11 3/4	12 1/4	12 1/2	13 1/2	14	177
10 1/4	11 1/4	12 3/8	14	11	10	10 1/4	11	12	13	
10 7/8	9 11/16	11	11 1/8	10 5/8	11 3/16	12 1/16	12 1/16	11 1/2	9 3/4	178
8	7 3/8	8 1/4	9 11/16	9 15/16	10 1/8	10 7/8	10 15/16	8 1/8	8 1/8	
13 3/8	12 1/2	13 1/2	14	14 3/4	15 3/8	15 5/8	16 1/8	16 5/16	18 1/2	179
10 1/8	10 1/2	11 15/16	12 1/2	12 15/16	14 1/8	14 5/8	14 11/16	15 3/16	16 3/16	
7 1/4	5 7/8	7 9/16	9	9 3/8	10 1/16	10 5/8	10 1/8	9 3/16	10 15/16	180
5	4 5/8	5 3/8	6 13/16	8 1/2	8 3/4	9 3/4	8 1/4	8 1/16	8 7/8	
14 3/4	13 11/16	15 5/8	6 1/8	6 1/8	5 1/8	5 3/16	5 1/2	5 3/8	6 3/8	181
11 15/16	11 1/8	11 3/4	5 1/8	4	4 3/16	4 1/16	4 3/8	4 1/2	5 3/16	
96	98 1/4	104 1/4	106 3/4	104 3/4	103 3/4	106	104	106 3/4	113	182
92 1/4	93 1/4	98	101 3/4	99 7/8	98	100	96	96	106	
31 5/8	30 1/2	31	32	30 1/4	23 1/4	23 1/2	18	20 1/4	19 3/4	183
23	23	23	28 3/4	23 7/16	19 1/2	16	13 3/4	12 7/8	15 1/2	
9	9	8 1/8	8	8 3/8	7 3/4	6 7/8	6 7/8	4 1/2	6	184
6 7/8	7 5/8	6 11/16	6 5/8	7	6	5 3/4	3 3/4	3	4	
110 1/2	100	110	116	117	122 1/2	120 1/2	124	115 1/2	131	185
95	91	93	105	109	112 3/4	115 1/2	116	103 3/8	118	

APPENDIX G.

HIGHEST AND LOWEST PRICES OF PRINCIPAL MINES, 1890–1895.

NAMES.	1890. H. & L.		1891. H. & L.		1892. H. & L.		1893. H. & L.		1894 H. & L.		1895. H. & L.	
African—												
Cape Copper... ...	$5\frac{11}{16}$	$3\frac{5}{16}$	$4\frac{3}{4}$	$1\frac{13}{16}$	2	$1\frac{5}{16}$	$1\frac{5}{8}$	1	$1\frac{3}{4}$	$\frac{5}{16}$	$2\frac{13}{16}$	1
Chimes, New ...	...		...		$3\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{7}{8}$	$1\frac{1}{8}$	$3\frac{3}{8}$	$1\frac{1}{16}$	$4\frac{5}{16}$	$1\frac{3}{4}$
Consol. Bulfontein	...		...		...		27/3	24/3	27/9	25/-	32/-	28/3
De Beers	$20\frac{3}{4}$	15	$17\frac{1}{8}$	$10\frac{5}{8}$	$18\frac{1}{4}$	$13\frac{3}{16}$	$21\frac{9}{16}$	$13\frac{3}{4}$	$19\frac{3}{8}$	$14\frac{5}{16}$	$32\frac{1}{2}$	$18\frac{1}{4}$
Do. 5% 1st Mort. Deb.	...		...		...		...		$107\frac{7}{8}$	$101\frac{3}{4}$	$111\frac{1}{2}$	105
Durban Roodeport	...		...		$4\frac{3}{8}$	$2\frac{1}{2}$	$5\frac{3}{16}$	$3\frac{7}{8}$	$7\frac{1}{4}$	$4\frac{11}{16}$	$8\frac{13}{16}$	$6\frac{3}{8}$
East Rand	...		...		...		...		47/6	12/3	$12\frac{5}{8}$	$2\frac{3}{8}$
Gelden. Est. & G.	...		...		$4\frac{3}{16}$	$2\frac{3}{16}$	$4\frac{7}{8}$	$3\frac{13}{16}$	$6\frac{5}{8}$	4	$7\frac{1}{2}$	$3\frac{1}{2}$
Glencairn	...		...		33/-	9/-	37/6	24/-	$4\frac{1}{8}$	$1\frac{1}{8}$	$4\frac{7}{8}$	$3\frac{1}{8}$
Griqualand West...	...		...		$6\frac{3}{16}$	5	7	6	$7\frac{1}{4}$	$6\frac{3}{8}$	$8\frac{1}{2}$	$7\frac{1}{4}$
Heriots, New ...	...		...		$3\frac{7}{16}$	$\frac{7}{8}$	$3\frac{7}{16}$	$2\frac{1}{2}$	$8\frac{3}{4}$	$3\frac{1}{4}$	$12\frac{1}{2}$	$7\frac{11}{16}$
Jagersfontein New	...		...		$14\frac{1}{4}$	$4\frac{3}{4}$	$13\frac{3}{4}$	$13\frac{1}{2}$	$17\frac{1}{2}$	$11\frac{1}{16}$	12	$5\frac{13}{16}$
Klerksdorp Est. ...	...		...		...		...		...		$1\frac{9}{16}$	$\frac{1}{4}$
Langlaagte Estate	...		...		$3\frac{7}{8}$	$2\frac{5}{8}$	$4\frac{7}{16}$	$2\frac{5}{8}$	5	$3\frac{9}{16}$	$7\frac{1}{4}$	$4\frac{1}{16}$
Modderfontein ...	...		...		12/-	4/-	13/3	5/-	£10	5/9	$17\frac{7}{8}$	$6\frac{1}{2}$
Primrose, New ...	...		...		$4\frac{3}{4}$	2	$5\frac{5}{16}$	$3\frac{3}{8}$	$6\frac{1}{8}$	$3\frac{5}{8}$	$8\frac{5}{16}$	$5\frac{1}{8}$
Randfontein Est....	...		...		13/6	9/6	13/9	7/-	19/6	9/9	$4\frac{3}{8}$	$\frac{7}{8}$
Rand Mines	...		...		...		...		$22\frac{1}{4}$	$7\frac{1}{4}$	$45\frac{1}{2}$	$18\frac{1}{2}$
Robinson Gold ...	...		...		$3\frac{7}{8}$	$2\frac{7}{8}$	$4\frac{13}{16}$	$3\frac{7}{16}$	$7\frac{15}{16}$	$4\frac{5}{8}$	$11\frac{1}{2}$	7
Sheba	...		...		24/3	19/9	15/3	15/-	$1\frac{17}{32}$	$\frac{25}{32}$	$2\frac{7}{8}$	$1\frac{1}{4}$
Simmer & Jack, Pref.	...		...		$4\frac{3}{4}$	3	5	$3\frac{1}{4}$	$14\frac{5}{8}$	$3\frac{9}{16}$	$24\frac{1}{4}$	$11\frac{1}{4}$
Spes Bona	...		...		...		...		...		$4\frac{5}{16}$	1
Transvaal Coal T.	...		...		12/6	8/-	14/3	9/-	26/6	11/-	$3\frac{1}{16}$	1
Worcester	...		...		$1\frac{7}{8}$	$1\frac{1}{2}$	$2\frac{1}{16}$	$1\frac{3}{8}$	$4\frac{3}{4}$	$1\frac{3}{8}$	6	$3\frac{3}{4}$

NAMES.	1890. H. & L.		1891. H. & L.		1892. H. & L.		1893. H. & L.		1894. H. & L.		1895. H. & L.	
American—												
Alaska Treadwell	...		...		...		...		...		$5\frac{3}{4}$	$2\frac{3}{4}$
De Lama	...		...		...		...		...		29/6	18/6
Holcomb Valley ...	...		...		...		...		...		3/-	$7\frac{1}{2}$d.
Mammoth	...		...		...		...		...		1/6	6d.
Springdale	...		...		...		...		...		3/8	1/3
Australian—												
Brilliant...	...		...		...		...		...		20/-	9/6
Brilliant Block ...	...		...		...		...		...		$2\frac{1}{8}$	$1\frac{13}{16}$
Brit. Broken Hill...	...		$2\frac{3}{4}$	2	...		$\frac{5}{8}$	$\frac{1}{8}$	$\frac{5}{16}$	$\frac{3}{16}$	$\frac{3}{4}$	$\frac{1}{2}$
Broken Hill Prop.	...		...		$7\frac{3}{4}$	$3\frac{1}{4}$	$4\frac{9}{16}$	$2\frac{1}{8}$	62/6	32/-	$2\frac{3}{4}$	$1\frac{7}{16}$
Mount Morgan ...	...		...		...		...		...		$3\frac{3}{16}$	$2\frac{1}{4}$
Scot. Australian ...	...		$1\frac{7}{8}$	1	...		$1\frac{3}{16}$	$\frac{3}{4}$	$\frac{15}{16}$	$\frac{5}{8}$	$\frac{11}{16}$	$\frac{1}{2}$
West Australian—												
Associated G. M....	...		...		...		...		...		$2\frac{7}{8}$	$\frac{1}{2}$
Coolgardie Ming....	...		...		...		...		...		5/-	9d.
Gt. Boulder M. R.	...		...		...		...		...		$1\frac{1}{16}$	$\frac{11}{16}$
Hannan's B. Hill...	...		...		...		...		...		$8\frac{1}{8}$	$\frac{3}{16}$
Do. North... ...	...		...		...		...		...		$1\frac{5}{16}$	$1\frac{3}{16}$
Do. Prop.	...		...		...		...		...		$\frac{9}{16}$ p.m.	$\frac{7}{16}$ p.m.
Do. Reward ...	...		...		...		...		...		$4\frac{1}{4}$	$2\frac{5}{8}$
Kalgurli	...		...		...		...		...		$4\frac{3}{8}$	$1\frac{3}{8}$
Lady Shenton ...	...		...		...		...		...		$2\frac{3}{8}$	$1\frac{3}{8}$
Londonderry ...	...		...		...		...		...		2	$\frac{5}{16}$
Continental—												
Mason & Barry ...	$10\frac{9}{16}$	6	$7\frac{1}{2}$	$4\frac{3}{8}$	$3\frac{1}{4}$	$2\frac{3}{8}$	$2\frac{15}{16}$	$1\frac{3}{8}$	$3\frac{3}{16}$	$1\frac{15}{16}$	$3\frac{3}{8}$	$1\frac{9}{16}$
Rio Tinto	$27\frac{5}{16}$	$14\frac{3}{4}$	$23\frac{13}{16}$	$16\frac{5}{16}$	$19\frac{1}{2}$	$14\frac{3}{8}$	$16\frac{1}{16}$	$12\frac{1}{16}$	$16\frac{3}{4}$	$12\frac{5}{8}$	$20\frac{1}{2}$	$12\frac{1}{2}$
Indian—												
Champion Reef ...	...		...		46/-	26/-	65/9	35/-	4	$3\frac{7}{16}$	$5\frac{1}{4}$	4
Gld. Flds., Mysore	$4\frac{7}{8}$	$2\frac{7}{8}$	$3\frac{15}{16}$	$1\frac{13}{16}$	$4\frac{3}{8}$	$2\frac{1}{2}$	$5\frac{3}{16}$	$3\frac{7}{8}$	$7\frac{1}{4}$	$4\frac{11}{16}$	30/6	13/6
Mysore Gold... ...	$6\frac{7}{8}$	$4\frac{5}{16}$	$6\frac{5}{16}$	$4\frac{13}{16}$	$5\frac{7}{16}$	$3\frac{3}{4}$	$4\frac{7}{8}$	$3\frac{3}{16}$	$3\frac{5}{16}$	$2\frac{1}{8}$	$3\frac{1}{4}$	$2\frac{1}{4}$
Nundydroog ...	...		...		...		...		...		$2\frac{5}{16}$	$1\frac{3}{4}$
Ooregum	$2\frac{3}{8}$	$1\frac{13}{16}$	$3\frac{1}{4}$	$1\frac{7}{8}$	$4\frac{5}{16}$	$3\frac{1}{8}$	$5\frac{1}{4}$	$4\frac{3}{16}$	5	$2\frac{5}{8}$	$3\frac{5}{8}$	$2\frac{5}{8}$
Do. Pf. 10% Min.	$2\frac{1}{2}$	$1\frac{5}{8}$	$3\frac{15}{16}$	$2\frac{3}{8}$	$4\frac{7}{8}$	$3\frac{11}{16}$	6	$4\frac{13}{16}$	$5\frac{11}{16}$	$3\frac{1}{4}$	$4\frac{1}{4}$	$3\frac{1}{4}$
Lands and Exploration—												
African Estates ...	...		...		...		...		...		$3\frac{3}{4}$	$1\frac{3}{8}$
Anglo-French Ex.	...		...		...		...		$1\frac{1}{2}$	$1\frac{1}{4}$	$7\frac{7}{8}$	$3\frac{1}{16}$
Balkis Eersteling...	...		...		...		1/9	3d.	10/-	1d.	11/-	2/3
Balkis Land	...		...		...		3/-	$1/4\frac{1}{2}$	7/6	1/3	10/9	3/-
British S.A. Char.	...		...		33/-	10/6	$2\frac{1}{2}$	$\frac{3}{4}$	$2\frac{3}{16}$	$1\frac{3}{32}$	$8\frac{11}{16}$	$2\frac{1}{16}$

NAMES.	1890. H. & L.	1891. H. & L.	1892. H. & L.	1893. H. & L.	1894. H. & L.	1895. H. & L.
Charterland Gold Fields	...	...	...	...	...	2 $\frac{5}{8}$
Con. Gld. Flds. S.A.	...	...	$3\frac{1}{8}$ $1\frac{5}{15}$	$1\frac{7}{8}$ $1\frac{5}{8}$	$4\frac{1}{2}$ $1\frac{11}{16}$	$19\frac{5}{8}$ 7
Do. 6% Pref. ...	...	...	...	...	...	$1\frac{5}{16}$ $1\frac{1}{16}$
D. $5\frac{1}{2}$% Debs. ...	...	...	...	...	...	114 $105\frac{1}{4}$
Hampton Plains ...	...	...	...	...	...	$5\frac{1}{4}$ $1\frac{3}{8}$
Idaho Exploring ...	...	...	...	...	...	8/6 3/-
Johannesburg Est.	...	...	...	...	...	$1\frac{11}{16}$ $\frac{13}{16}$
Lon. & S.A. Explor.	$26\frac{1}{4}$ $12\frac{1}{4}$	$15\frac{7}{8}$ $11\frac{5}{16}$	$12\frac{3}{4}$ 9	$13\frac{3}{4}$ $8\frac{9}{16}$	$12\frac{1}{4}$ $9\frac{1}{2}$	$17\frac{1}{8}$ $9\frac{3}{4}$
W. Aust. Develop.	...	...	...	...	...	$1\frac{1}{4}$ $\frac{7}{8}$
W. Aust. Gld. Flds.	...	...	...	...	...	$8\frac{5}{8}$ $3\frac{1}{8}$
Miscellaneous—						
African Banking ...	...	...	...	...	...	...
Barnato Banks ...	...	...	...	...	...	$4\frac{3}{4}$ $1\frac{3}{8}$
Johang. C. In. ...	...	...	...	...	$2\frac{5}{16}$ $\frac{11}{16}$	$6\frac{7}{8}$ $2\frac{7}{16}$
Robinson Banks ...	...	...	...	...	...	$11\frac{1}{2}$ $4\frac{3}{4}$
S. African Gld. T.	...	...	...	...	...	$12\frac{3}{4}$ $3\frac{3}{4}$
Transvaal Mort. ...	$2\frac{3}{8}$ $\frac{3}{4}$	$1\frac{1}{8}$ $\frac{1}{4}$	...	$\frac{7}{8}$ 1 $\frac{1}{2}$dis.	$1\frac{3}{8}$ dis.	$1\frac{3}{16}$ 1

APPENDIX H.

Dividends on Leading Stocks, 1890–95.

APPEN

DIVIDENDS ON LEADING STOCKS, PAID

NAMES.	1890.		1891.	
	1st.	2nd.	1st.	2nd
Home Rails—				
1 Barry	10	10	11	9
2 Brighton Ord.	4¼	9¾	3¼	9¾
3 ,, Def.	8 for year		7 for year	
4 Caledonian	5	3¾	4	4½
5 ,, Def....	...	¾	1	1½
6 Chatham and Dover... ...	4½	4½	3½	4½
7 District 5 per cent. Pref....	1½	1	2½	2½
8 Furness	4	3½	2½	3
9 Great Eastern	2	4	1½	3¾
10 ,, Northern "A" ...	1	6	0½	5
11 ,, ,, Def.... ...	3½	6	½	5
12 ,, Western	5¼	7¾	5	7½
13 Lancashire and Yorkshire	4	4½	3½	4¼
14 Metropolitan Cons.	3	3	3¼	3¼
15 ,, Surplus Lands	2½	2½	2½	2½
16 Midland	5½	7	5¾	7
17 North British	3	1½	1	3
18 ,, Def.	1¾	nil	nil	0¾
19 North Eastern	6¾	7¾	6	7
20 ,, Staffordshire	5	5	4¾	5¼
21 ,, Western	6¾	7¾	6¼	7¾
22 Sheffield	¾	4¾	¼	4
23 ,, Def.	nil for year		nil for year	
24 South Eastern	3¼	6¼	2¼	6
25 ,, ,, Def.	3½ for year		2¼ for year	
26 ,, Western	4¾	7¼	4¼	7¾
27 Taff Vale	3	3	2¼	2¼
28 Tilbury and Southend ...	2½	4½	2	5½
Indian, Colonial—				
29 Bombay, Bar., and C., ...	£6 14/- for year		£7 15/- for year	
30 Canadian Pacific	5	5	5	5

DIX H.

DURING THE LAST SIX YEARS.

1892.		1893.		1894.		1895.		
1st.	2nd.	1st.	2nd.	1st.	2nd.	1st.	2nd.	
10	9	10	9	10	10	10	10	1
3¾	9¼	4¼	7½	4¼	7¾	3¾	8¼	2
7 for year		5¾ for year		6 for year		6 for year		3
4	4¼	4	4¾	4	3¼	4½	5½	4
1	1¼	1	1¾	1	1¼	1½	2	5
3⅖	4½	2⅖	4½	2¼	4½	2⅘	4½	6
3¼	2¾	2¾	1½	3¾	1½	3	2½	7
nil	3	1	1½	1	2	nil	1	8
0¾	3½	0¾	1¼	1	2¼	0¾	4	9
nil	4½	nil	nil	nil	2	nil	2½	10
nil	4½	nil	nil	nil	2	nil	2½	11
4¾	7	4	5½	4½	6	3¼	7	12
3¼	4	3¼	3	2½	4½	3¾	5¼	13
3¼	3¼	3¼	2½	2¾	2¾	2⅞	3½	14
2¾	2½	2¾	2½	2¾	2½	2⅜	2⅜	15
5¼	6¾	4¾	3	4¾	5¾	4	6¼	16
2½	3	3	3	3	1½	3	3	17
nil	0¾	0¼	1	0¼	nil	nil	1¼	18
3	6¾	4¾	7	5	6¾	4½	6¾	19
4¼	5	4	5	4	4½	3½	4½	20
5¾	7¼	5¼	5½	5¾	6¾	5¼	7½	21
¼	3	nil	nil	nil	1½	nil	1¾	22
nil for year		nil for year		nil for year		nil for year		23
1¾	6¼	2¼	5¼	2¼	5¾	2¼	6	24
2 for year		1½ for year		2 for year		2¼ for year		25
4¼	7¾	4¾	7¼	4¾	7½	4½	7¾	26
3¼	3¼	3¼	2½	3¼	3¼	3	3¼	27
2½	5¼	2½	5	2½	5½	2½	5¾	28
£7 10/- for year		£8 17/6 for year		£7 12/6 for year		£6 5/- for year		29
5	5	5	5	5	nil	nil	1½	30

NAMES.	1890.		1891.	
	1st.	2nd.	1st.	2nd.
31 Delhi, Umballa, and Kalka	4	4	3	2·18/-
32 Grand Trunk Guar.	4	4	1	5½
33 Great Indian Peninsula ...	£7 10 8	5	£8 13/-	5
34 Hudson's Bay	2/½ for year		2½ for year	
35 Madras	5	5	5	5
36 Suez Canal	85·714 francs		91·206 francs	
37 South Mahratta, Limited...	4	4	4	4
Foreign Rails—				
38 Buenos Ayres and Rosario	7	7	nil	nil
39 Cent. Argentine, Limited...	5	5	nil	nil
40 ,, Uruguay	8	5	5	2
41 Great Western of Brazil ...	10/-	12/-	12/-	10/-
42 Mexican 1st Pref.	8	8	8	7½
American Rails—				
43 Atch. To. and Sante Fé ...	2¾	nil	2	nil
44 ,, 4 per cent. Mort. "A"	2 for year		2½ for year	
45 Balt. Ohio Cap. Stock ...	nil	nil	20	5
46 Central Pacific	2	2	2	2
47 Chic. Mil. and St. Paul ...	nil	nil	nil	nil
48 Denver Pref.	3	5	nil	nil
49 Erie 2nd Mortgage	6	6	6	6
50 Illinois Central	6	6	4	5
51 Lake Shore...	4	8	5	7
52 Louisville and Nashville ...	6	6	5	5
53 New York Central	4 4	4 6	4 4	6 5
54 Norfolk and W. Pref. ...	3	3	3	3
55 Northern Pacific Pref. ...	4 4	4 4	4 4	4 4
56 Pennsylvania	6	5	6	6
Banks—				
57 Bank of England	10½	11½	10½	10
58 Bank of Ireland...	11½	11½	11½	11½
59 Brit. of South America ...	10 for year		10 for year	
60 Capital and Counties ...	18	18	18	16
61 Char. of India, A. and C....	14	18	14	14
62 City, Limited	11	11	11	11
63 Consol., Limited, £4 Pd....	10 for year		10 for year	
64 Lloyd's, Limited, £8 Pd....	17½ for year		17½ for year	
65 London & County, £20 Pd.	22 for year		22 for year	
66 London & Mid., £12½ Pd.	16 for year		15 for year	
67 London & Westr., £20 Pd.	17 for year		14½ for year	
68 London Joint Stk., £15 Pd.	12½ for year		11¾ for year	
69 Met. of England, £5 Pd....	17½ for year		18 for year	
70 Nat. Prov. of England ...	20	20	20	20

1892.		1893.		1894.		1895.		
1st.	2nd.	1st.	2nd.	1st.	2nd.	1st.	2nd.	
£2 12/-	£2 7/-	£2 16/-	£2 18/-	£3 2/-	2½	4		31
2¼	4½	2	3¼	nil	nil	nil	nil.	32
7¼	5	£6 15/4	5	£6 12/-	5	£5 15/-	5	33
4 8/13 for year		3 11/13 for year		4 8/16 for year				34
5	5	5	5	5	5	5	£5 0 6	35
92·36 francs		90·40 francs		89·868 francs		36·77 francs		36
4	4	4	4	4½	4½	4½	4½	37
nil	nil	nil	nil	2	1	2		38
nil	nil	1 for year		1½	1½	2		39
2	nil	2	3	6	5	6	5	40
10/-	14/-	10/-	14/-	10/-	14/-	10/-		41
4¼	1½	2	1¼	0¾	0½	1¾		42
2½	nil	2½	nil	nil	nil	nil	nil.	43
2½	2½	2½	In arrear					44
5	5	5	5	4	nil	nil	nil.	45
2	2	2	nil	nil	nil	1	1	46
4	4	4	4	4	2	2	2	47
nil	4	nil	nil	nil	nil	nil	2	48
6	6	In arrear						49
5	5	5	5	5	5	5	5	50
6	6	6	6	6	6	6	6	51
4	4	4	nil	nil	nil	nil		52
5 5	5 5	5 5	5 5	5 5	5 5	4 4	4 4	53
2	nil	nil	nil	nil	nil	nil		54
4	nil	nil	nil	nil	nil	nil		55
6	5	5	5	5	5	5		56
10	9½	10	9	8	8½	8	8¼	57
11¼	11½	11½	11½	11½	10½	10½	10½	58
10 for year		10 for year		10 for year		8	6	59
16	16	16	16	16	16	16	16	60
14	14	14	14	14	18	9	8	61
10	10	10	10	9	8	8	8	62
9½ for year		8¾ for year		8¾ for year		8 for year		63
16¼ for year		15 for year		15 for year		16 9/16 for year		64
20 for year		21 for year		20 for year		20 for year		65
15 for year		15 for year		15 for year		15 for year		66
12 for year		12 for year		10 for year		10 for year		67
10 for year		10 for year		9½ for year		9 for year		68
18 for year		18 for year		15 for year		12½ for year		69
20	18	18	18	18	16	13	12	70

NAMES.	1890.		1891.	
	1st.	2nd.	1st.	2nd.
71 Parr's Alliance	19	19	19	19
72 Union of Austral., £25 Pd.	14 for year		14 for year	
73 Union of London, £15½ Pd.	12½		11¼	
Breweries—				
74 Allsopp & Sons	3½	nil	nil	nil
75 Guinness & Son & Co. ...	18	12	18	12
76 Parker's, Burslem	14/-	10/-	14/-	10/-
Commercial, Industrial, &c.—				
77 British Gas Light	22/6	22/6	22/6	22/6
78 City of London Electric ...	...	...	...	...
79 Coats, J. & P.	...	5	8 for year	
80 Gas Light & Coke	13	13	13	12
81 Gordon Hotels	...	8/-	12/-	8/-
82 Met. Electric Supply ...	...	...	4/- for year	
83 Pawson & Leaf	3/9	3/9	3/9	3/9
84 Price's Patent Candle ...	10/-	17/6	15/-	15/-
85 South Met. Gas "A" ...	13¼	15½	15½	15½
86 ,, ,, "B" ...	11½	12	12	12
87 Spiers & Pond	10 for year		8 for year	
Telegraphs and Trusts—				
88 Anglo American, Limited	12/6 15/- 15/- 15/-		12/- 12/- 12/6 16/-	
89 Cuba, Limited	8/-	8/-	8/-	8/-
90 Direct U.S. Cable	3/6 3/6 3/6 3/6		3/6 3/6 3/6 3/6	
91 Eastern Extension, Limited	7 for year		7 for year	
92 Globe Telegraph Trust ...	2/- 4/3 1/9 1/9		2/6 4/6 2/- 1/6	
93 National Telephone, Ltd.	6	5	7	5
94 Railway Investment, Def.	7/-	14/-	6/-	13/-
95 Railway Share Trust, Ltd.	4/-	4/-	4/-	4/-
96 Submarine Cables Trust ...	60/-	60/-	60/-	60/-

1892.		1893.		1894.		1895.		
1st	2nd.	1st.	2nd.	1st.	2nd.	1st.	2nd.	
19	19	19	19	19	19	19	19	71
12 for year		10 for year		7 for year		5½ for year		72
10		10		8¾		9	9	73
nil	nil	nil	nil	2	6	6	6	74
18	12	18	12	18	12	20	12	75
14/	10/-	14/-	10/-	10/-	10/-	10/-	10/-	76
22/6	22/6	22/6	22/6	22/6	22/6	22/6	22/6	77
nil	nil	nil	nil	nil	5	nil	10/-	78
8 for year		8 for year		8 for year		12 for year		79
12	12	12	12	12	12	12¾	12⅝	80
12/-	8/-	12/-	8/-	12/-	8/-	12/-	8/-	81
4/- for year		5/- for year		6/- for year		3/-	3/-	82
3/9	3/9	3/9	3/-	3/-	3/9	3/-	3/-	83
12/6	12/6	10/-	15/-	10/-	17/6	15/-	17/6	84
15½	15½	15½	15½	15½	15½	15½	15½	85
12	12	12	12	12	12	12	12	86
10 for year		10 for year		10 for year		4/-	4/-	87
12/6 12/6 12/6 17/6		12/6 12/6 12/6 13/6		9/- 10/- 9/- 14/-		10/- 11/- 10/-		88
8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-	89
3/6 3/6 3/6 3/6		3/6 3/6 3/6 3/6		2/- 2/- 2/- 2/-		2/- 2/- 2/-		90
7 for year		7 for year		7 for year		5/-	2/6	91
2/6 3/9 1/9 1/3		2/3 4/- 1/6 1/3		2/6 3/9 1/3 1/6		2/3 3/3 1/3		92
7	5	5	5	5	5	5		93
nil	6/6	nil	nil	nil	3/11	nil	7/10	94
4/-	4/-	nil	nil	4/- for year		6/4 for year		95
60/-	60/-	60/-	60/-	60/-	60/-	60/-	35/-	96

APPENDIX I.

DIVIDENDS ON PRINCIPAL MINES, 1890–1895.

NAMES.	1890.	1891.	1892.	1893.	1894.	1895.
African—						
Cape Copper ...	7/-	3/6	1/3	2/6	2/6	3/9
Chimes, New ...	...	...	10%	...	10%	10%
Consol, Bulfontein	7½%	7½%	7½%	7½%	7½%	7½%
De Beers	20/- p.s.	20/- p.s.	12/6 p.s.	25/- p.s.	25/- p.s.	25/- p.s.
Do. 5% 1st Mort. Deb....	...	...	...	...	5%	5%
Durban Roodeport	4/- p.s.	4/- p.s.	6/- p.s.	11/- p.s.	12/- p.s.	60%
Gelden Est. & Gold...	...	15%	10%	25%	30%	30%
Glencairn	...	...	...	...	12½%	15%
Griqualand, West	3½%	4%	4%	4%	8/-	8/-
Heriots, New ...	5%	...	...	10%	40%	40%
Jagersfontein, New	nil	nil	7½%	20%	20%	20%
Langlaagte Est.	15%	10%	20%	30%	45%	50%
Primrose, New ...	...	15%	27½%	40%	40%	50%
Robinson Gold ...	...	4%	12%	8%	10%	14%
Sheba	...	...	1/- p.s.	1/6 p.s.	3/- p.s.	...
Simmer & Jack Pr.	...	20%	40%	40%	20%	20%
Transvaal Coal T.	...	2½%	5%	6¼%	7½%	10%
Worcester	30%	10%	17½%	15%	50%	50%
American—						
Alaska Treadwell	...	4/-	9/-	7/6	9/-	4/6
De Lama	...	1/6	4/-	4/6	6/-	4/6
Springdale	...	...	...	2d.	4d.	...
Australian—						
Brilliant	18/-	30/-	3/-	1/9	3/5	4/10
Brilliant Block ...	...	...	...	6d.	7/3	6/-
Broken Hill Prop.	22/-	24/-	12/-	15/-	12/6	12/-
Mount Morgan ...	14/-	7/10	6/-	6/-	6/-	6/-
Scot. Australian ...	10%	10%	7¾%	5½%	3¼%	1¾%

NAMES.	1890	1891.	1892.	1893.	1894.	1895.
Continental—						
Mason & Barry ...	6/-	2/-	2/-	2/-	2/6	...
Rio Tinto	16½%	10%	7%	70%	4%	10%
Indian—						
Champion Reef ...	...	...	...	...	7/-	13/-
Gold Fields, Mysore	...	...	1/-	...	...	...
Mysore Gold ...	15/-	13/-	10/-	10/-	5/-	5/-
Nundydroog ...	19 1/16%	25%	28¾%	2/6	3/-	3/-
Ooregum	1/-	3/6	7/6	10/6	7/6	5/-
Do. Pref. 10% min.	3/-	5/6	9/6	12/6	9/6	7/-
Lands and Explorations—						
African Estates ...	...	...	...	...	...	10% [1]
Anglo-French Ex.	...	...	...	...	10%	5/6
Cons. Gold Fields, S. A....	...	...	...	10%	15%	125%
Do. 6% Pref.	...	...	...	...	3%	6%
Do. 5½% Debs.	...	...	...	...	2¾%	5½%
Idaho Exploring	...	...	...	...	2d.	6d.
Johannesburg Est.	10%	...	7½%	5%	2½%	5%
London & S. A. Explor.	16/6	12/6	15/6	17/-	11/-	14/-
W. Aust. Develop.	...	...	...	...	...	10/-
Miscellaneous—						
African Banking	...	...	...	3%	1½%	5%
Johang. C. Invest.	...	...	...	...	10%	20%
S. African Gold Trust	...	...	2/-	3/-	8/-	10/-
Transvaal Mort....	10%	5%	...	...	...	...

[1] Plus 175% paid on £16,000, the original capital.

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(SEE ALSO BIBLIOGRAPHICAL LIST, pp. xvii–xx.)

Banks, Railways, &c., are entered under the first word in the respective names Italics within brackets denote cross-references.

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