

“BULLS” AND “BEARS” ON “CHANGE.”



MERCHANTS most do congregate” on ‘Change, and there it is that we must look if we wish to see trade in one of the aspects that is at least varied and interesting. In great cities distinct trades have their separate exchanges and meeting-places; thus, in London, the

Royal Exchange, in Cornhill, for instance, gathers round it multitudes of stock and share brokers; the “Baltic,” in Threadneedle Street, has shipbrokers many; at “Lloyds,” insurance brokers and underwriters congregate; and other instances might be given. But in towns and cities less in size, diversified trades gather occasionally to one exchange, and it is in these that there is to be found the greatest colour, and the greatest variety of appearance and of character. Far north, Newcastle gathers together men interested in coals and chemicals, in lead and iron, in freights and in firebricks, and the Tyne burr adds to the variety of speech, and gives a savour of the “dear Doric” of the North. Middlesborough has “iron in its soul” when its merchants meet on ‘Change; in Leeds, the division of trades prevails to some extent, though the hop dealers fraternise with the sellers of corn; Bradford is redolent of the odours of cloth of many kinds; at Manchester, cotton predominates; and thus the list might be extended to most of the large towns and cities. It is found desirable for the traders to have some common place of meeting, where bargaining can be begun, where, if needful, samples may be shown, and where, at a given hour, a merchant, broker, or buyer may feel certain that he will meet the representatives of the producers of the article he needs—producers representative of the manufactories and marts that stud the district often for miles around.

Let us first go north, and then south. It is noon by St. Nicholas’ Cathedral clock. Under the shadow of the High Level Bridge—that marvel of Stephenson and of the engineering of to-day—and near to the old castle that has withstood many assaults in the brawling yesterday of a past age, and close to the Tyne that now runs a deeper course to the sea, is the Guildhall, whereunto years ago a merchants’ chamber was added. Beauty is not its characteristic—its outward garb of stone has been smirched with the soot and the fume from chimneys and works, and its interior is dull, not to say dingy. But it serves its office, and gathers together a motley crowd of men who have steamships to charter, and men who need them; of coal-owners and coal-shippers; of chemical makers and buyers, and of the representatives of the varied industries of the Tyne. Custom has defined the positions of many of the trades: lead takes usually the north-west, chemicals the southern side; whilst other branches of trade and

many of the habitual attenders have specific places, and the bays of the windows have usually constant occupants in the hour of meeting.

The talk is something like that of Præd’s vicar—it runs with rapid notes from rocks to roses. It does not wholly centre on the “shop;” the latest utterance of statesmen, the latest national event, and the local and general politics are keenly scanned. Now and then some literary reference will be made, a quotation will occasionally be misapplied, and a joke that is far-fetched will provoke a smile. But chiefly the conversation is of business: of a charter from the Tyne to Cronstadt, and the difference of opinion as to whether the rate should be 5s. or 4s. 10½d.; of a contract for soda crystals, with speculation as to the course of the market, and stipulations as to the size of the casks or the nature of the brand; of a sale of lead, “rich” in silver, or the contrary; of a delivery of coals and the rate of the delivery, the place of shipment, the length of “turn” before the colliery can fill the steamer: these, and subjects like these, are the matters that are under discussion. This chemical broker hails from across the Tweed, and his speech betrayeth him; that ship-owner’s burr is racy of the soil; there are traces of ancestral German in that merchant; and the dialects of the north and the south, the east and the west, mingle and intermingle, and the claims of business and the desire to bargain prevent a Babel. The best simile that occurs is that of the bee flitting from flower to flower, till he finds that which yields him the material he needs, and then settling down to the completion of the task of gathering. Thus on ‘Change: the buyer or seller tests those in the trade, finds that Solomon’s description holds good still—“it is naught, it is naught”—but ultimately, after much chaffering, the bargain is concluded, booked, and speedily signed and sealed. So, from all the airts the wind can blow there are brought stately ships into the market, uncounted tons of coal, coke, chemicals, iron and iron-ore, and “a feast of wonders from the west and east,” and thus they find charterers, buyers, sellers, and users, and the great wheels of trade move on all the easier because of the sales initiated, negotiated, or concluded on ‘Change. It is not needful here to describe the scene: a few hundred men and youths eager in the getting of gain, and displaying all the idiosyncrasies character and of nationality. The prosperous merchant, the manufacturer struggling to make profit in times of depression, the broker anxious to serve his clients, and the attendant clerks, runners, captains, and others mingling, gliding, sauntering—a well-dressed crowd, each pursuing his own affairs, and each eager to make the best of the day. With all, the point is to sell in the dearest and to buy in the cheapest market.

Vary the place, and the commodities and people will also differ, but the great characteristic of ‘Change

will remain. Cotton may take the place of "Caleys," bricks may be spoken of here and "Berwicks" there, wheat may be sold here and "Trunks" there, but the great resemblance in buyer and seller, and in the frame of mind that these positions induce, will remain.

vestments sold on 'Change—British funds, Corporation stocks, colonial and foreign Government securities, foreign stocks, railway stocks and shares of various kinds, both of home, foreign, and colonial lines, bank shares, canal and dock shares, telegraph shares, ship-



THE LONDON STOCK EXCHANGE.

There are "bulls" and "bears" in chemicals as well as in shares, and there are bargains that are carried on in most markets at times. But it will be of interest to glance at that great Exchange in the metropolis that may be said to be the controller of most others, and the embodiment of the power and the might of capital and of its savings. There is "published under the authority of the Committee of the Stock Exchange" a "London Daily Stock and Share List." It gives in tabulated form a list of in-

ping shares, and others. From this list the reader may learn the amount of the capital that is saleable, the most recent dividends, the nominal amount of the shares, and the amount paid thereon, the closing quotations, and the rates at which sales have actually taken place. Let us first glance at "Consols"—the chief of our national stocks. Long ago, the nation needed funds to carry on wars. It borrowed money on its credit at given rates of interest. A little over a hundred years ago, at the Peace of Paris, 1763, the

National Debt was only £138,863,000, but it grew rapidly, and the different loans, the different rates of interest, were confusing. In 1751 there had been consolidated into one account, and at one fixed rate of interest, various funds. In a few instances the rates of interest were reduced, and thus we have the Consolidated or Reduced Three per Cent. Annuities; whilst another class bears a name that needs no explanation—“New” Three per Cents. In these three classes the bulk of the British debt is included—the total funded debt being practically £700,000,000. The buyer of any of this buys the right to receive from the nation £3 per annum for every £100 of stock. But just as hay rises and falls in the market, or coal does, so does in a lesser degree the value of the stock. An abundance of sellers depresses the value, an abundance of buyers raises that value, and thus, as national thrift increases, and national savings find a little greater difficulty in obtaining employment, the price of the stock increases, or *vice versa*. In this way we have the fact that during the Russian War, which took up much of the resources of the nation, the price of £100 stock fell to £88, whilst prolonged peace and better trade made that £100 worth sell in the year 1881 for £103. As the national credit rises and falls—and peace or war, good or bad trade, and good or bad harvests, with other influences, will cause that rise or fall—so does the price of the stock, and in a greater or less degree that of the shares of most companies, on which local influences have also their effect. As the prospects of the companies brighten, so usually their shares rise in value.

And now as to purchase. All purchases or sales on the Stock Exchange must be through a broker, who receives a commission for acting as agent, and finding a buyer or seller, as the case may be. He purchases stock or shares “for the account,” that is, for the next period of accounting, usually fortnightly, and he purchases under rules of the Exchange, well understood by those who deal thereon. Having bought or sold, he sends to the person for whom he has bought or sold a “contract note,” which is practically an invoice, showing the price of the stock, the cost of stamps, transfer fees, &c. In due time a transfer or assignment is prepared and signed by the seller, and then by the purchaser. This is forwarded to the office of the company, with the certificates of stock. In the case of the public funds there are various other conditions, and there are methods of purchase through the Post Office Savings Bank which need not be detailed here. But it may be interesting to give an example of a transfer deed, or certificate, the parts in italics being the examples of the filling up of blanks. It is as under:—

Coupons for £100 Stock forwarded to the Company's Office by

E, *Robert Brown*, in consideration of the Sum of *One Hundred and Sixty Pounds* paid by *John Smith*, hereinafter called the said Transferee.
Do hereby bargain, sell, assign, and transfer to the said Transferee, *£100 Stock* of and in the undertaking called the *London and North Western Railway Company*,
To hold unto the said Transferee, *his* Executors, Administrators, and Assigns, subject to the several conditions on which I held the same immediately before the execu-

tion hereof; and I, the said Transferee, do hereby agree to accept and take the said *Stock*, subject to the conditions aforesaid.

As Witness our Hands and Seals, this
 Day of _____ in the Year of our Lord One Thousand
 Eight Hundred and Eighty

Signed, sealed, and delivered by the above-named
 in the presence of
 Witness's
 Signature, }
 Address, }
 and }
 Profession. }

Place for Seal.

Signed, sealed, and delivered by the above-named
 in the presence of
 Witness's
 Signature, }
 Address, }
 and }
 Profession. }

Place for Seal.

On 'Change many terms are used which need no explanation, for, were it necessary, the brokers would willingly give such explanations as are needful. But the use of the words “bull” and “bear” is extending, and it may be said that they apply to those who “operate on the market with the object of affecting the prices of certain securities in which they may be interested. The ‘bull’ endeavours to raise prices, the ‘bear’ to depress them.” The one may have bought stock at a low rate, and may desire to sell at a higher; the other may have sold, and wish to buy at a lower rate to complete the bargain. Other causes are also contributory, but these are the chief that actuate those well-known divisions of the attendants on 'Change.

The official list alluded to above includes securities to the amount of £3,770,541,453, and that amount is yearly growing. Moreover, the items of which it is composed are constantly fluctuating in actual value. Manchester, Glasgow, Birmingham, and other places, have their Exchanges, but the work of sale and purchase is chiefly effected on the great Stock Exchange in London. And it is there that the capitalists of the world gather in person or by proxy, for this is the representative of that Rialto where Shylock was oft rated “about his monies and his usances.” It has its uses and its great value, but there is about it too much of the speculative spirit, and too much of that “gambling” which buys what it cannot pay for, and what it has the only object of selling again before payment. But it is one of the proofs of the soundness of the English system of commerce to find that there is so little of that evil about it, for it is certain that the business done is vast, and that it is effected with a rapidity, a safety generally, and a cheapness that might be a fitting example to those who have to do with the transfer of “real” property, and who hedge its transfer round with formalities so great that purchase or sale is always slow, costly, and difficult. On the Stock Exchange, with all its faults, transactions are speedy, cheap, and safe, and that because all these transactions rest largely upon the basis of a register of ownership, carefully kept by the officials of the companies concerned.

J. W. S.