## CITY CITY COURIER, SATURDAY, AUGUST 17, 1889.

## THE CRAZES OF THE DAY.

THEY ARE SPECULATION, CONSOLI-DATION AND RECAPITALIZATION.

Walter Wellman Has an Interview with Assistant United States Treasurer Whelpley on This Subject-Gullibility of the English Investor.

## Special Correspondence.]

WASHINGTON, Aug. 15 .- "A wave of speculation, consolidation and recapitalization is passing over the world," says Assistant United States Treasurer Whelpley. Mr. Whelpley knows whereof he speaks. While other officials watch politics he watches finance. He sits where the beating of the fiscal pulse of the country may be noted with unerring accuracy, where the financial activities of the whole world are mirrored. "This wave, in my opinion, is one of the most remarkable things of recent times," adds Mr. Whelpley. "It is not confined to one country nor to one continent. Schemes for organization, consolidation and re-capitalization of industrial concerns are prevalent not only in Germany, France, England and the United States, but in Australia, Africa and South America. The trust and syndicate idea has fairly taken possession of the earth. People appear to imagine that if five concerns, each worth \$100,000 and paying annual profits of \$5,000, can be brought under one management their value will at once leap to millions and their profits to hundreds of thousands. The craze for this sort of thing is almost as wild and illogical as was the popular fever to in-vest in John Law's South Sea bubble a century ago."

the times?

"Well, in the first place, investors are suspicious of railway securities. Not many railroads, in the United States particularly, are making their usual profits. There is, moreover, a lack of confidence in railroad management. Just at this juncture, when money is flowing less freely than before into railroads, and when there is such a glut of money that in London 2 per cent. is a good rate of interest, and in this country our 4 per cent, bonds are held at a premium of 28, with New York city able to sell 2<sup>1</sup>/<sub>2</sub> per cent, bonds at a small premium, the germ of the trust and consolidation idea appears in the formation of big industrial syndicates in this country and England, whisky, sugar, cotton seed oil and steel taking the lead here, and the Bass, Guinness and other great breweries across the water. There were many imitators of these trusts. At first the consolidation idea was taken up by the actual owners of industrial properties, and syndicates were formed to control interests of great actual value and earning capacity. Many fortunes were made in these consolida-tions, and in a very short time the public was led to believe investment in such concerns the surest and speediest read to wealth.

"From consolidation by owners, on a purely mutual and thoroughly honest basis, it was but a step to consolidation and recapitalization on a fictitious and exaggerated estimate of values. So great has become public confidence in trusts and syndicates that frauds of the boldest and most specious character can be successfully marketed both in this counly there is a craze for such investments, and when former United States Treasurer Wyman returned from Europe a short time ago he told me it was the easiest matter in the world for a couple of American concerns that had been earning a little profit, and which had some genuine assets, to go over to London, consolidate and recapitalize at a valuation five or ten times their actual worth. "That is just what is being done at this time. London is full of such schemes from the United States, South America, Australia, Africa, everywhere, There seems to be no limit to the English purse, no end to the credulity of the English investor. Take the Burmah ruby mine scheme as an example. The success of that 'flyer' was such as to make Law turn over in his grave and crack his bones in envy. According to the prospectus the Burmah Ruby company had obtained from the king of that country a monopoly of the ancient mines, from which rubies could be picked by the wagon load. Moreover, diamonds were becoming so plentiful, owing to the large output of the Cape mines, that the ruby was fast supplanting the diamond as the most precious, most valuable and most fashionable gem. "This company was capitalized at £500,000, or \$2.500,000, in £1 shares. Subscription books were opened at the Rothschild banking house in St. Within's lane, and when Rothschild's clerks came down to the bank on the morning of the advertised day they were compelled to ask the assistance of the police in getting into the building, and then had to climb in the windows by means of ladders. Thousands upon thousands of persons crowded around the bank, eager for a chance to subscribe to the stock. By noon £1 shares were worth £370 each, and closed for the day at £350. If the capital stock had been fifty millions of dollars, probably it would all have been subscribed for. "For months the newspapers have been filled with accounts of English invest ments in all sorts of American proper-ties-in western lands, cattle ranches, flour mills, dry goods stores, theatres, horse car lines, gas companies, etc. Some of these reports are true, some not. There is no doubt, however, of the magnitude of English investment in Ameri can breweries. I have seen an authentic list of the breweries sold to foreign syndicates, and the total sum involved is nearly \$30,000,000. Two New York breweries, not large ones, are consolidated and capitalized at \$4,500,000. A New Hampshire brewery is put in at \$6,300,-000. Three breweries at Rochester, N. Y., go in at \$4,500.000. "John Smith has a brewery which pays him. say. \$20,000 a year profit. It is worth probably \$250,000. Richard Roe has a brewery that pays him \$10,000

B year, and that is worth \$100,000. A speculator comes along and says to Smith: 'I'll give you \$500,000 for your brewery, \$300,000 cash and you to take stock for the remainder, the new company retaining you at a salary of \$5,000 year.' A similar offer is made Roe. Both accept, of course. The speculator makes a small deposit for the option, goes to London, incorporates his company 'to purchase and consolidate' the two concerns, issues a seductive prospectus, prates of the fact that the present proprietors are under contract to remain at the head of the concerns and that they retain large financial interests therein, pay large sums to a London 'promoter' or broker who knows how to reach capital, and presently the transaction is completed. Smith and Roe get their cash and their stock and are retained at fat salaries. The speculator and promoter wax rich, and everybody, even the investor, is happy. It is when dividend day comes round that the last named in-

dividual becomes miserable. "No wonder the owners of industrial concerns are willing to sell out to foreigners when they can get two or three prices for their property. Over in Eng-land interest rates are so low that 5 or 6 per cent. appears large to the eyes of an investor, and a prospect of 10 per cent. sets him crazy. While their interest rates are low, their notions of a proper capitalization are very large. A certain American invention which has been but fairly successful in America is being worked off on the Londoners for \$4,000,-000. The salt trust has a capital stock of \$11,000,000. A capitalization of a certain manufacturing company is being marketed in London, the total being the enormous sum of \$4,500,000. Another company, a small but prosperous manufacturing concern, modestly asks for but \$500,000. Two far western breweries have clubbed toget and struck London for \$2,000,000.

"These are but instances, of which I an alluring scheme on foot for the capitalization of a land company, the site of whose town has not yet either a railroad. a telegraph office or a postoffice."

The English public will invest in anything providing the promoters put their capital high enough and do not promise too much. Englishmen are suspicious of any scheme that talks of 10 or 15 per cent, profits, and are disinclined to invest unless the capital runs up to a pretty round figure. Many meritorious enterprises have failed to attract capital simply because they did not put a big enough price on themselves. The old saying, "Strike high if you lose your hatchet," applies in this case. These English investors do not seem to profit much by experience, either. They will even go into mining companies. Notwithstanding the fact that out of hundreds of mining companies listed in London only forty have paid dividends, 100 new companies, with a nominal capital of \$70,-000,000, were capitalized in England last

Among the new mining ventures now being successfully marketed in London is one which has some novel features. It is called the "Wyldsdale Gold Exploration and Developing company, limited." It is incorporated "for the purpose of acquiring the concession granted by Umbandine, king. and paramount chief of Swazieland, South Africa, upon the slopes and spurs of Makonjwa mountains

HOW TO BUY HEN'S EGGS. Two Kinds of Fowls That Lay the Best

Ones-Selling by Weight. There is a real delicacy in the flavor of a new laid egg that but few city people know anything about. A hen's egg is referred to, When the egg is more than twenty-four hours old this delicacy is gone. About the markets it is impossible to get eggs so fresh as this. Usually they are collected by speculators who drive through country towns, gathering them up and paying as low a rate a dozen as possible. Then they are packed and shipped to middlemen, or commission merchants about the markets, so that they have been out of the nests several days before they are eaten. There are some simple facts about eggs

that egg consumers are very slow in taking advantage of. If they had the commonest sort of knowledge on the subject, they could often buy to much better advantage than they do. There are hens and hens. Some lay large, heavy eggs, full of nutri-ment, and others lay little thin, pointed eggs, with almost no "meat" in them. It is a case where blood counts. For a long time farmers were prejudiced

against what was called "fancy stock;" but, through curiosity or a desire to improve their strains of egg layers, they at last experimented with some Leghorns, or light Brahmas, or some other variety, with the result, usually, that the common barnyard birds were improved by the introduction of thoroughbred blood.

In only a few cases did the farmers put forth intelligent effort in this matter. Curiously enough, they were satisfied to buy a few eggs at fancy prices, set them, raise the chickens, and, as soon as they were large enough, turn these chickens in with the common fowls to take care of themselves. The next season they set the eggs of the thoroughbred fowls expecting to get thoroughbred chickens, but instead they got hybrids, half barnyard and half Leghorn. Many different varieties of pigeons will select their own kind in mating, but this is not the case with poultry. Though the result was disappointing, it was, nevertheless, beneficial, and in the fowla in almost any barnyard in the country one may now observe traces of high bred birds. The size, feathers on the feet, general form or "These are but instances, of which I coloring may indicate the presence of Plym-could mention many more; and there is outh Rock, Brahma, Cochin, Leghorn or some other superior blood.

As the farmers find the public willing to eat any kind of eggs, without any discrimination as to size, weight or color, they may, perhaps, be excused for not having cared much what kind of hens they kept. They only were the losers if they did not keep such birds as would produce the largest number of eggs. Of late, however, there have been signs of

a cultivation of taste in this matter. Hotels desire to lay before their guests large, full eggs with high colored shells; and freshness of taste is a more important point than it was once. In the hot weather, when eggs are used very extensively in drinks, it is very necessary that the eggs piled up in a dish on the counter or bar should be attractive to the eye and absolutely fresh. To drop a spoiled egg into a tumbler under the customer's very nose would certainly spoil his appetite and prevent him from enjoying the food supplying drink

The buff Cochin hen lays an egg which for delicacy of color is unsurpassed. The hen herself is a beautiful animal, and the egg is a pinkish brown. In a white dish they are really exquisite. Unfortunately the Cochin does not "run to eggs," as the Leghorn does, nor is it very satisfactory as a table bird, for the reason that any attempt to fatten it usually produces an enlargement of those parts which are not eaten, while the outside of the frame does not thicken at all. Brahma lay very "meaty" eggs, and are good table fowls, but they are a little heavy for raising chickens, and such unconquerable setters that a hen has been known to keep a doorknob warm for more than a month.

Leghorns, on the other hand, are indift mothers, and rarel stick to the nest until their chickens are out of their shells. Plymouth Rocks are thrifty producers of fine eggs, and they are also good table birds, faithful setters and mothers, and they are sufficiently hardy to endure the rigors of the New England climate. They are all that one might expect from the name which they bear. Houdans, a French variety, have been bred here to a small extent. but are a little tender for the climate. They are said to lay the very finest eggs that can be had. The Dorking is the finest table bird. When the public has become a little more acquainted with the merits of hens' eggs they may, it is hoped, demand the purchase of them by weight. Eight Brahma eggs, for instance, may weigh as much as twelve common hens' eggs, and it is not fair that the industry and quality of the superior bird should bring only the same reward as the industry of the inferior fowl. It is very noticeable at the markets, how ever, that housekeepers nearly always look for eggs of low price, regardless of size, color and weight. It is also a surprising fact that New England does not produce enough eggs to supply the local demands. Very large quantities of eggs are imported annually from the maritime provinces and from France. France is the greatest egg produc-ing country in the world. English farmers and poulterers also raise prodigious quantities of eggs, but they have not yet been able to supply the home consumption. Conse-quently England and America import eggs from France to the value of many millions of dollars annually .- Boston Herald.





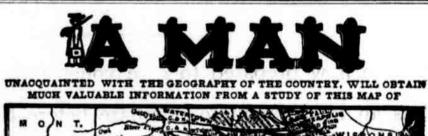
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and ancient valleys, on which have been found both rich alluvial deposits of gold and numerous gold bearing reefs." The tract of ground granted by King Umbandine is thirty-seven square miles, for which the lessee is to pay but \$200 a year. Nobody knows whether there is any valuable ore in this land, but the fellow who secured the grant will undoubtedly be able to sell out to the company for a round half million, for the gullible English public has promptly walked up and planked down more than a million dolars to equip the company that is to explore and develop the alleged gold country.

"To transact the business of these speculative enterprises innumerable trust and banking companies are springing up in England," says Mr. Whelpley. "These are speculations in themselves, in which the organizers are sure to make money by taking advantage of the craze. An example of this was recently had in this city. A friend of mine organized a new trust company, subscribed for the stock himself, and on the boom disposed of the most of it at a premium which has already netted him \$30,000 profit. The mania for speculation by means of incorporated companies and consolidations of enterprises has largely taken the place of stock and grain gambling. In my opinion it is by far the most dangerous evil of the three.

WALTER WELLMAN.

#### Antipodean Lady Bugs.

The state board of horticulture has received from Col. J. R. Dobbins, of San Gabriel, a box of Australian lady bugs, the insects that destroy the cottony scale and which has done so much injury in the orange orchards of southern California. It has succeeded where all other opinion is that one is a willow and the other a methods fail. The destructive scale is poplar, and how they obtained root in the the bug's principal article of diet, and when it fails the insect declares war upon and against its own kind. The lady bug, that is so warmly welcomed by the orange growers, was imported from Australia at the instigation of the depart-ment of agriculture. The insects will be distributed at once, as they are rapidly propagating and the board has nothing to satisfy their peculiar appetites .- San Francisco Call.

#### Similes in a Sermon

Under the auspices of the Free Summer Excursion society the colored poor of the city enjoyed a happy day at Chesterwood yesterday. The preacher branched off in a homily on Christian life, which he likened to an Anne Arundel county ox climbing a hill. He said the ox took a zigzag course in going up the hill, or, in sailor parlance, he beat up the hill. So with the Christian-he must beat up to heaven, and frequently with a strong tide running against him. Baltimore American.

Trees in the Steeple.

Growing out of the masonry of the French Catholic church steeple in Biddeford, Me., almost at the upper limit of the brickwork are two young trees, both green and flourish-ing in appearance. One is fully eight feet tall, and the other about six. Both are green and healthy looking plants, and have grown rapidly within a year. They are beyond reach from the upper window, and could not be removed without a stage being built. The

#### Corn in Great Britain.

masonry is a mistery .-- True Flag.

Of land under corn crops of all kinds there were in Great Britain 8,187,700 acres in 1888, being an increase of 41,800 acres over 1887, but nearly 1,000,000 acres less than in 1878, when corn crops covered 9,167,600 acres Wheat increased by 346,000 acres, or 10.6 per cent. more than the area under wheat in 1887, and nearly 90,000 acres more than the average of the last five years. There was, on the other hand, a decrease of 6.7 per cent. in the acreage under oats, while the acreage un-der barley remained identical with that of 1887.—Miller.

#### Who Invented Spectacles?

To this question an answer has been given by the Italians in favor of one of themselves. In Florence, in a little street, a memorial table: has been inserted in the facade of one of the houses, and bears the following in-scription: "To honor the memory of Salving deg'i Armati, inventor of spectacles in the Thertcenth century. The Guild of Artisans. on the spot once occupied by the houses of the Armati, placed this tablet, on the 5th day of July, 1855."-Florence Letter.

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