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LLOYD'S:

YESTERDAY

AND TO-DAY.



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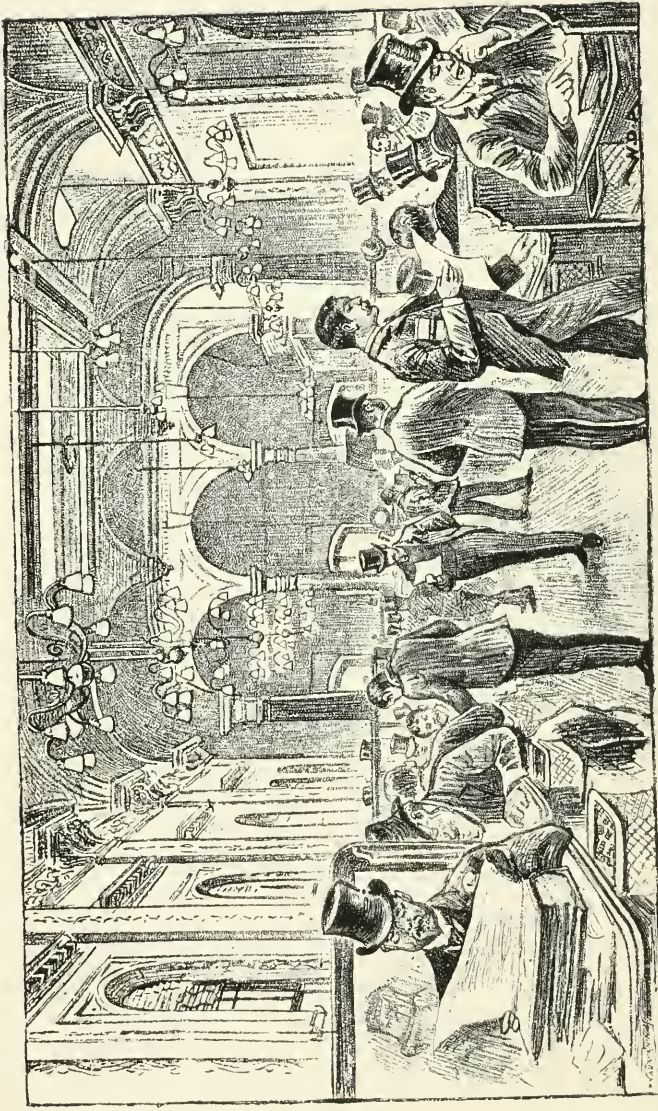


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THE LARGE ROOM.

LLOYD'S
YESTERDAY AND TO-DAY
BY
HENRY M GREY

ILLUSTRATED BY
W. D. ALMOND

LONDON
JOHN HADDON & CO
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PREFACE

THE present sketch of one of the most interesting and important commercial bodies in existence originally appeared, in skeleton, in the *Illustrated London News*. The numbers in which the article was published are now out of print, and in reproducing it in this more permanent form, I have added a quantity of detail which the limits of an article compel one to omit. I take this opportunity of expressing my gratitude to the proprietors of that journal for their kindness and courtesy, in granting me permission to use the original letterpress and blocks. My thanks are also due to those friends who have assisted me from the store of their personal reminiscences.

H. M. G.

CHELSEA, *April*, 1893.

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THE following books and pamphlets have been consulted in the compilation of the present work:—

Annals of Lloyd's Register.

Martin's *History of Lloyd's and Marine Insurance.*

Lloyd's Report for 1884.

Hints to Captains of the Mercantile Marine.

Dick's *Marine Insurance, Popularly Treated.*

Lindsay's *History of Merchant Shipping and Ancient Commerce.*

Van de Linde's *Biography of a Policy.*

*Coffee, which makes the politician wise,
And see through all things with his half-shut eyes.*

POPF.

LLOYD'S YESTERDAY AND TO-DAY.

CHAPTER I.

EARLY DAYS.

TOWERING head and shoulders above the crowd of institutions that have helped to make this country great, and win for her the maritime supremacy of the world, stands the Corporation of Lloyd's. The name is familiar in our mouths as household words, but how few there are who know anything really definite of its origin, or of what goes on within its walls to-day! Yet the history of this time-honoured institution is closely bound up with the commercial history of this country; and, supposing that, by some impossible combination of circumstances, its doors were to be closed to-morrow, its collapse would be, perhaps, more widely felt than that of any other commercial institution in the world. But as great rivers often trace their sources to the smallest of streamlets, so this mighty institution sprang from the humble origin of a riverside coffee-house.

At the close of the seventeenth century, Tower Street was one of the principal thoroughfares in the City of London, and there it was that Edward Lloyd, from whom the world-famous institution

takes its name, established his coffee-house. The date usually assigned to the first existence of the establishment is 1710, but this is undoubtedly incorrect, for in No. 2,429 of the *London Gazette* may be found the following curious advertisement:—

“On the 10th instant a middle-sized Man, having black curled Hair, Pockholes in his Face, an old brown riding Coat, and a black Bever Hat, was suspected to have taken away five Watches.” Here follows a description of them, and the advertisement concludes:—“Whoever gives Notice of them to Mr. Edward Lloyd at his Coffee-house in Tower-street, or to Mr. Edward Bransby in Darby, shall have a Guinea Reward.” The date of this is 1688, when the place was, no doubt, a common resort of seafaring men. Tower Street was the main thoroughfare between Wapping and the centre of shipping activity on Thames side, and the City; and the immediate neighbourhood embraced, as it does now, the Custom House, Billingsgate, and Trinity House. Sailors landing at St. Katharine’s, or “Galley Key,” would naturally patronise the nearest place of entertainment, and in this way it is easy to see how Lloyd’s first became identified with the shipping interest. The advertisements in the *London Gazette* of that time tend to show that Lloyd’s *clientèle* was in those days largely composed of seafaring persons. Some of them are curious reading, as witness No. 2,495, A.D. 1689:—“Run away from Captain John Brady, a Tawny Moor,

about twenty years of age, bow-Legged, with a light-colour'd Coat, a white Wasteccoat, and a pair of Shammy Breeches. Whoever gives Notice of him at the aforesaid Captain's House on Rotherhithe Wall, or at Mr. Lloyd's Coffee-house in Tower-street, shall have 20s. Reward, and their Charges." Again, in March, 1690, No. 2,643 :—" Run from on Ship-board a Negro named Will, aged about 22 ; he had a grey Suit, and speaks English well. Whoever secures him, and gives Notice to Mr. Lloyd at his Coffee-house in Tower Street, London, shall have a Guinea Reward." But the identification of Lloyd's Coffee-house with marine insurance had not yet begun.

In 1692 Mr. Lloyd removed his establishment to the corner of Lombard Street and Abchurch Lane, a few doors from the General Post Office, and nearer the centre of the commercial life of the City. The removal westward, though it involved the loss of patronage by the seafaring section of the community, was, nevertheless, a step nearer prosperity, as Lloyd gained more than he lost in the acquisition of the custom of merchants of standing. Still, Lloyd's was only one of a number of such houses, having for rivals Garaway's, Jonathan's, Baker's, and others, in Exchange Alley which, a chronicler of the period states, were chiefly frequented by " Brokers, Stock-jobbers, Frenchmen, Jews, as well as other Merchants and Gentlemen." John's Coffee-house, too, was a celebrated one in those days ; but Baker's is the only one, besides Lloyd's, which has descended to our day. Lloyd,

by his energy and activity, soon succeeded in gathering round him a considerable *clientèle*, and the records of the period contain frequent advertisements of sales by "inch of candle," which took place at this tavern.

One day it would be "A fine fresh Stone-horse, just come out of Yorkshire, 60 guineas value, to be thrown for by Dice, each lot a Guinea" that would be put up for sale; another day "The St. Joseph, a prize, with her Cargo, Sugar, Indico, and Anatto"; and again, "a parcel of Turkey Coffee," that drew people to Lloyd's establishment. It seems to have been the favourite delivery-house of runaway slaves, even up to 1703, when the "Postman" notified all and sundry that "A negro maid, aged about sixteen years, named Bess, having on a striped stuff Wastcoat and Peticoat, is much pick't with the Small Pox, and hath lost a piece of her Left Ear, speaks English well, ran away from her Master, Captain Benj. Quelch on Tuesday, the 8th December." Smallpox marks do not appear to have been, in those days, a very distinguishing characteristic, but the loss of part of an ear would no doubt lead more readily to identification. Reference is made to these sales in a "poem" called "The Wealthy Shopkeeper," published in 1700:—

*"Now to Lloyd's Coffee-house he never fails
To read the letters and attend the sales."*

The "letters" here referred to were very possibly a distinguishing feature of Lloyd's Coffee-house

—at any rate, he seems to have given them much more prominence than his rivals. Lloyd had established quite an extensive connection of home and foreign correspondents in the principal ports of the time, and from these he received constant news of the movements of vessels, and other matters of interest to his clients, which was duly posted up in his establishment. In this fact may be found the germ of the “Lloyd’s List” we are familiar with to-day, and the foundation of the subsequent greatness of the Corporation of Lloyd’s.

Ten years later, Lloyd’s was the subject of a paper by Steele in the *Tatler*, and a year later, Addison employed his powerful pen on the same subject in the *Spectator*. The latter described what he calls an “odd accident” which happened to him there. Addison, it seems, was accustomed to make voluminous notes of thoughts which occurred to him during the day, and it so happened that he dropped this “whole sheetful of hints” on the occasion of his visit to Lloyd’s, and before he had missed it, it had been found by a cluster of people, who were diverting themselves with its contents. In consequence of the merriment its perusal evoked, Addison had not the courage to claim it, and nobody being found to own it, the Kidney¹ mounted the pulpit, and read it aloud to the whole room. “The reading of this paper,” he says, “made the whole Coffee-house very merry: some of them concluded it was written by a mad-man.” The article wound up with a sketch of the

¹ Waiter.

visitors at Lloyd's, which, as may be imagined, was more personal than polite.

Lloyd's removal westward paved the way for greater undertakings than the sales above described, for, as his house became more and more the resort of persons connected with shipping, his enterprise found more and more encouragement, and the year 1696 saw the establishment of a newspaper, published three times a week, giving shipping and commercial news, and known as *Lloyd's News*. This was a huge undertaking, for, in those days, nothing of the kind existed, except the official *London Gazette*. Private enterprise might, perhaps, earlier have started something in the way of a news sheet, but the liberty to do so was wanting, as no man had the right to publish political news without the authority of the Crown. Even the *Gazette* itself only gave the most meagre apology for news. A description of a cockfight, or a "wanted" highwayman might perhaps be read, but the events which go to make history were unnoticed, and the report of a parliamentary debate was a thing unknown.

The gossip of the day centred at the coffee-houses, and these places came to be recognised as the head-quarters of news. So much so, indeed, that a royal ordinance of Charles II. summarily ordered the shutting up of all coffee-houses. An appeal to the law courts followed, and ultimately permission was granted to the "masters" of coffee-houses to keep them open, on condition that they should "prevent all scandalous papers, books,

and libels, from being read in them, and hinder every person from declaring, uttering, or divulging all manner of false and scandalous reports against the Government or the Ministers thereof." The publication of this news sheet was therefore a very courageous undertaking, and later on, as will be seen, Mr. Lloyd paid the penalty of his rashness. A complete file of the paper does not exist, but the Bodleian Library at Oxford contains all but the first seven numbers.

The journal, however, had only a short career, for in the seventy-sixth number some very harmless information was inserted concerning the proceedings in the House of Lords. For this heinous offence Mr. Lloyd was summoned to appear before the bar of the House, and being there informed that the statement made in his paper was "groundless and a mistake," was called upon to "rectify it in his next." This he never did, saying he would "print no more at present." The course he took may seem rather Quixotic for an enterprising pressman, to suppress his journal rather than knuckle under to the Government, but the suppression was in form rather than in fact. He merely substituted handwriting for printing, and the news sheet continued to be read at Lloyd's Coffee-house. This continued for nearly thirty years, until in 1726 the journal was revived under the title of *Lloyd's List*, the publication of which—though under a different name since 1884—has been continued down to the present day. *Lloyd's List* can therefore claim to be the oldest news-

paper now in existence, with the single exception of the official *London Gazette*.

Meanwhile the suppression of *Lloyd's News* does not seem to have interfered with the prosperity of the Coffee-house, which continued to increase with every year. Lloyd's had by this time, in consequence of prominence given to shipping matters, come to be recognised as the centre of marine insurance; but this branch of business was not, as yet, of the first importance there, being secondary to that of the collection and dissemination of news. The insurance of ships as a regular business would appear to have been only one of the numerous excuses for speculation to which the South Sea Bubble had given rise. All sorts of curious schemes were floated about that period, such as "Assurance from Lying," "Rum Assurance," "Assurance of Female Chastity," and many other oddities more or less absurd, but all finding support.

There is nothing new under the sun, but it is interesting to note, in passing, that the modern popular system of Burglary Insurance, which is generally believed to be a product of nineteenth century civilization, is only a servile imitation of the "Insurance from housebreakers," which was practised in the days of the South Sea Bubble.

But the desirability of merchants obtaining some really sound system by which their property could be insured against loss or damage, increased, and marine insurance, as practised to-day, crept gradually into vogue: first by individuals assuming

risks for premiums received on the strength of their own good names, and afterwards by combinations in the form of companies. And thus the word "underwriter" first came to be included in the English dictionary. The import of the term is perhaps very little understood, even at this day, outside the comparatively narrow circle of shipping and insurance men, but those familiar with a policy of marine insurance know that it derives its origin from the fact, that those who accept the risk, subscribe—or underwrite—their names at the foot of the document.

The documents setting forth the undertakings of the private names of those days were in writing. Experience, however, proved that, when a claim arose, these documents were capable of very ambiguous interpretation, and the perils attendant upon a sea voyage being so numerous, it was found necessary to introduce clauses defining more specifically the underwriter's liability. The growth of technicalities tended to infuse into the business of marine insurance something of the nature of an expert profession, into what was originally merely a commercial transaction. And the difficulties of the conduct of business, between merchant and underwriter, being thereby increased, the "marine insurance broker" was called into existence.

Lloyd's Coffee-house was found to be a convenient exchange for merchants, underwriters, and brokers, and thus a centre was established for the carrying on of marine insurance business, the frequenters assembling at their pleasure, but not yet

bound by any rules or regulations. As business increased, however, the Coffee-house was found to be insufficiently commodious, and about 1770 the brokers and underwriters removed their rendezvous to temporary quarters in Pope's Head Alley. There was no idea of Lloyd's making a permanent settlement here, and indeed, a very short time sufficed to demonstrate that the premises were utterly unsuitable for the requirements of the society. The difficulty of acquiring premises adapted to their needs was apparently almost as great as it would be to-day, were the Corporation under the necessity of seeking a fresh location. Many efforts were made to secure a suitable home, but they were apparently of a desultory character, and met with no success. Towards the end of 1771, however, the matter was taken seriously in hand. Mr. M. K. Van Mierop, a prominent member of the Coffee-house, called a meeting of his fellow-members, and it was there resolved by seventy-nine of them, the enterprising Dutchman being in the chair, to *build* a "New Lloyd's" in the event of their being unable to rent suitable premises. These seventy-nine gentlemen put down £100 each, as an earnest of their good intentions, and in the flame-charred minute-books of Lloyd's their names may still be read, with one single exception, where the fire has consumed the signature, but left the amount of the contribution legible. Then the business of house-hunting began in earnest.

In the early part of 1772 a general meeting



A BROKER OF YESTERDAY.
From an Etching by R. Dighton.

of the "Subscribers to the Plan for the Building or Removing to another House, for the more Commodious Reception of the Gentlemen, Underwriters, etc.," was held, when fifty-four of the number attended, and the worthy Dutchman again took the chair. At this meeting it was decided to elect by ballot nine gentlemen, of whom any five should compose a committee, to carry the scheme into execution. Mr. Van Mierop headed the list, and he and his colleagues were invested with full powers to apply all, or any part of the money subscribed, to bring about the attainment of the object in view. It would be tedious to follow the committee through all their troublesome negotiations and vexatious disappointments, but it was not until the 24th November, 1773, that the subscribers, in general meeting assembled, approved the selection of the committee, and agreed *nem. con.* to take the rooms then lately occupied by the British Herring Fishery Company, and described as a "very roomy and convenient place over the north-west side of the Royal Exchange," at the rent of £180 per annum. And thus it came about that the patrons of what, barely a century ago, was merely a humble water-side coffee-shop, established themselves on the spot which has ever since been their habitation, and formed a commercial organisation in the very heart of the City of London, which is unique in the history of the commerce of the world.

Mr. John Julius Angerstein—of German extraction, but a native of St. Petersburg—deserves

mention here, as being the immediate cause of the removal to the Royal Exchange. Van Mierop's Committee had come within an ace of taking some premises in Freeman's Court, having in fact gone so far as to pay the sum of one hundred guineas on account of the lease, when Mr. Angerstein intervened. He recognised the fact that Lloyd's was a coming power in the commercial world, and that, with removal, would come re-organisation; and he interfered to urge the desirability of obtaining not only premises that were commodious, but also a position that was central. The house in Freeman's Court might have fulfilled the former condition, but it scarcely did the latter, and Mr. Angerstein's opposition was regarded as reasonable. The house-hunting committee was, however, sick of its duties, and disinclined to go to any further trouble in the matter. So Mr. Angerstein himself took it in hand, with the result that in a short time he had the offer of the lease of the rooms in the Royal Exchange from the owners of the building, the Mercer's Company, on condition that he would make himself personally responsible for the rent. With remarkable public spirit he accepted these extraordinary terms, and brokers and underwriters thus found a permanent abiding-place, to which they removed in 1774.

The money, subscribed by the seventy-nine members, was therefore never required. Mr. Angerstein, who was afterwards to distinguish himself on many occasions in the subsequent history of Lloyd's, was, at this time, a comparatively young

man. When only fourteen years of age, he had entered the office of Mr. Andrew Thompson, a constant attendant at the Coffee-house. By his energy, intelligence, and high integrity, he had raised himself to the position of a merchant and underwriter on his own account. He possessed, in a large degree, those qualities which raise a man above the crowd of his fellows, and his action in connection with the domiciliation of Lloyd's, was the first of many enterprising and spirited actions which raised him to a position of eminence in the Coffee-house, and earned for him a reputation and a name that deserves to be remembered. Sixteen years after he had founded the "New Lloyd's," he was appointed Chairman of the Committee, and continued to occupy that position until 1796, when he was reluctantly compelled to relinquish it for want of the necessary time requisite for the due performance of the duties connected with the office. The high esteem in which "Julius" was held by his colleagues was based not merely upon his personal excellencies, but also his business qualities, which was strikingly exemplified by the fact that, in course of time, policies which bore his name as an underwriter, came to be known by the name of "Julians," and were prized accordingly by the brokers, as offering the best security to their clients, for where Mr. Angerstein was prepared to lead the best men in Lloyd's were willing to follow. It is no exaggeration, therefore, to say that in promoting the growth and power of Lloyd's, he was largely instrumental

As he himself said in his evidence before the Parliamentary Committee in 1810, he had been engaged in insurance business, as a broker and underwriter, for not less than fifty-four years—he was then seventy-five years of age, and was known as the Father of Lloyd's—and had “found Lloyd's a small institution, and seen it grow into vast size.”

Some idea of the growth of Lloyd's may be gathered from the fact that in 1771 there were seventy-nine subscribers only, and in 1891 there were about seven hundred members—of whom five hundred and eighty were underwriting members—five hundred subscribers, and five hundred “substitutes.”

CHAPTER II.

RISE OF LLOYD'S.

SIMULTANEOUSLY with the migration of Lloyd's to their new premises in the Royal Exchange, was realised the desirability of establishing some sort of governing body to control the affairs of the institution, and protect the interests of its frequenters. Hitherto, Lloyd's Coffee-house had been open to all who cared to go there, and even when it became the almost exclusive rendezvous of merchants and underwriters, they still assembled at will, and knew no rules or regulations to direct their transactions either individually or collectively. It was this freedom which drew to Lloyd's all sorts of adventurous spirits, who preferred any sort of speculation to legitimate business, and who afterwards brought upon Lloyd's an unenviable notoriety as an assembly of gamblers. A writer in the *London Chronicle* in 1768 points to the "amazing progress of illicit gaming at Lloyd's Coffee-house, as a very melancholy proof of the degeneracy of the times." It would appear that Mr. John Wilkes was a particularly favourite excuse for a "flutter" among these unprincipled gamblers. His chance of being elected member for London was estimated variously at

from five to fifty guineas per cent. ; while his chance for Middlesex was insurable from twenty to seventy guineas. His life for one year was insurable at five per cent., with the warranty that he should remain in prison during that period. According to the writer, Scotchmen were the chief sinners in this system of wagering, which shows up the Highlander in a different light from that in which we are nowadays accustomed to regard him. Men's lives, however, were not the only subject of what another writer of the period called "such detestable gaming." Many of the speculators embarked upon the treacherous seas of foreign politics, and wagered on the prospects of Continental war. Frequent opportunities were thereby afforded unscrupulous persons of defrauding their neighbours, through the chance possession of some piece of important information ; and if the writer above quoted is to be relied upon, these opportunities were not entirely neglected by persons who certainly ought to have known better. "It is a well-known fact," he says, "that a certain ambassador insured £30,000 on Minorca in the war of 1755, with advices at the same time in his pocket that it was taken." This was what we should call nowadays a concealment of material fact.

The frequency of such transactions at the Coffee-house no doubt led to the re-formation, though I fear not the reformation, of Lloyd's, in spite of rules and regulations, and the exaction of a subscription of £20 per annum, payable in

advance, to keep out undesirable persons. Still, the intention was good, for, at the very first meeting of the subscribers in their new premises at the Royal Exchange, held in March, 1774, these "shameful practices" were discussed in serious earnest. Ultimately a resolution was unanimously passed, embodying the hope that, whereas "in the first instance it is endangering the Lives of Persons so Insured from the idea of being selected by society for that inhuman purpose, which is being virtually an accessory in a species of slow murder," and so on, "Insurers in general will refuse subscribing such Policies, and that they will show a proper Resentment against any Policy Broker who shall hereafter tender such a Policy to them." The resolution did not specify the methods whereby underwriters should display a "proper resentment," whether by physical force or otherwise, but left it to the discretion of the individual.

Superstition and the love of hazard have ever been characteristic not only of "those who go down to the sea in ships," but those who have anything to do with matters seafaring. One would think that there was enough stake entrusted by underwriters with the goddess of chance without their adding to it in the manner described above, but there always have been, and always will be, some among them who think otherwise. The resolution passed in 1774 has been come to again and again since that day, in varied forms, and language less quaint, perhaps, but the day is not yet when a wager policy is shown at Lloyd's as a

thing extinct. The mighty aid of the law has even been invoked to declare that a policy bearing the words "policy proof of interest," or "without benefit of salvage," etc., is void, and cannot be enforced as a legal contract in a court of justice; but these transactions are guided and guarded by a code which is said to be recognised by much less reputable persons than underwriters.

Of the earlier years of the century, an interesting relic is still preserved at Lloyd's. This is none other than an original policy effected upon the life of the first Napoleon. It was for one month at a premium of three guineas per cent.; and the following is a copy of the document, which hangs in the Secretary's office—where also an autograph letter of Wellington, addressed to Lloyd's in his capacity as Warden of the Cinque Ports, is also preserved and exhibited:—

In consideration of three guineas for one hundred pounds, and according to that rate for every greater or less sum received of William Dorrington, we who have hereunto subscribed our names do for ourselves, and our respective heirs, executors, administrators, and assigns, and not one for the other or others of us; or for the heirs, executors, administrators, and assigns of the other or others of us, assume engage, and promise that we respectively, or our several and respective heirs, executors, administrators, and assigns, shall and will pay, or cause to be paid, unto the said William Dorrington the sum and sums of money which we have hereunto respectively subscribed without any abatement whatever.

In case Napoleon Bonaparte shall cease to exist, or be taken prisoner on or before the 21st day of June, 1813, commencing from this day.

London, 21st May, 1813.



AN UNDERWRITER.

- £100. R. HEATH. One hundred pounds.
21st May, 1813.
- £150. ANTHONY FINN KEMP. One hundred and fifty
pounds. 21st May, 1813.
- £150. B. I. MITCHELL per ANTHONY FINN KEMP.
One hundred and fifty pounds. 21st May, 1813.

So runs this interesting document. The life of Alphonso XII. of Spain was insured there, as was also, more recently, the Duke of Westminster's race-horse Ormonde. During the London Dock Strike a very large business was done in insurance against the risks of riot and civil commotion; and insurances against fire and burglary are constantly effected. Looking at the matter impartially, it, therefore, cannot be said that the description of Lloyd's, in a recent French paper, as a "veritable insurance bazaar," was altogether wide of the mark.

Bank deposits are frequently insured at Lloyd's, and even the Baring Guarantee in 1891 was very largely covered in the room at a premium of ten guineas per cent. An astute Russian grain-exporting house the same year took out an insurance—not with Lloyd's this time, but with one of the leading English companies—to protect himself to the extent of £5,000 in the event of an Imperial prohibition being issued against the export of grain during the year. As every one knows, the contingency which this 'cute Russian foresaw, happened, and the company booked a total loss that had not been brought about by perils of the sea.

Orme, the celebrated racehorse, was insured at Lloyd's against being scratched out of the Derby of 1892, and ultimately as much as 75 guineas per cent. was paid for reinsurances on this risk, before the horse was finally withdrawn by his owner. This, however, is a special risk, consisting almost entirely of the speculative element, and instances of equally extraordinary insurances might be multiplied indefinitely. But the insurance of their wives against twins, by husbands in comparatively straitened circumstances, is now quite a common transaction, and recognised in the Room as a praiseworthy act of prudence. This, however, is digressing ; but it is well to bear in mind in, descanting upon these speculative insurances, that they had, in a way, a great deal to do with the original foundation of Lloyd's on a businesslike basis, which led the way to its subsequent greatness.

Of all the services which Lloyd's has rendered to the world at large, the encouragement and help that was extended to Henry Greathead, the originator of the lifeboat, may be accounted among the most praiseworthy. The service of lifeboats, which extends along our whole coast-line, and by which hundreds of lives are annually saved from the perils of the sea, might not have been an accomplished fact to-day, but for the spirit and generosity of Mr. James Forsyth and Mr. Peter Warren, of Lloyd's. Greathead was a boat-builder at Shields, whose attention had first been directed to the idea of a "safety-boat," as he was

inclined to call it, by being shipwrecked on the coast of France. It happened in this wise. Greathead had embarked as ship's carpenter on board a vessel bound for the West Indies, but he had not been long out of port before he observed several suspicious circumstances, which led him to believe that the ship was intended to be scuttled, with the object of defrauding the underwriters. His fears proved to be well grounded, for the captain, baulked of his intention to run the vessel on the Goodwin Sands, headed her for the French coast, and put her ashore near Calais. No lives were lost, and Greathead lost no time in communicating his views to the underwriters at Lloyd's, in consequence of which the claim was repudiated. For this service Greathead earned for himself the gratitude of Lloyd's, which, however, he was unable to turn to practical account for several years. During this time the unfortunate ship's carpenter suffered many privations and hardships, both on land and sea, and it was not until 1784—five years after his shipwreck—that he was able to return to his native country, and apply himself to carrying into practical shape the idea which was uppermost in his head. Poverty, however, proved a serious obstacle to success, and here it was that Lloyd's befriended him. When his plans were completed, he submitted them to Mr. Warren—some time partner with Mr. Angerstein—through whose means he was introduced to the Duke of Northumberland. The Duke was immediately interested in the scheme, and furnished, together with the

members of Lloyd's, the funds for the building of the first lifeboat for the rescue of shipwrecked persons. The maiden effort of this new craft—appropriately named the *Northumberland*—was successful in rescuing from the *Edinburgh* the crew of seven men, in a sea “so monstrous high that no other boat could have lived in it.” Mr. Angerstein was here again to the fore, and on his initiative £2,000 was subscribed by Lloyd's for the encouragement of lifeboats; and fourteen were built, equipped, and stationed in various parts of the kingdom. This was in 1802, and for the next twenty-two years the whole lifeboat service of the country was kept going by Lloyd's, until taken over by the “National Lifeboat Institution,” whose first president was the same Duke of Northumberland.

The years which closed the eighteenth, and opened the nineteenth, centuries are, perhaps, the period upon which Lloyd's may look back with the most justifiable pride and gratification. Those were stirring times; but wars, and rumours of wars, served to show what patriotism Englishmen were capable of, and Lloyd's men were not found wanting. The honour and glory of fighting fell not to their lot, but their patriotism found outlet none the less noble. Two months after war had been declared against France, in May, 1803, the idea of establishing a Patriotic Fund, which was originated by Mr. Angerstein and Sir Francis Baring, M.P., was put into practical effect. On the 20th July a general meeting of the members of Lloyd's was

held, Alderman Sir Brook Watson, the then chairman, presiding. At this crowded gathering Sir Francis Baring and Mr. Angerstein both spoke, and urged the desirability of encouraging in every way their fellow-subjects who were engaged, or in any way instrumental, in saving this country from the "yoke of Gallic despotism" which threatened to be laid upon the whole of Europe. Their sentiments found a cordial echo in the hearts of their hearers, and, after some further discussion, the establishment of a Patriotic Fund was decided upon without a single dissentient voice. The resolutions arrived at were seven in number, one of which set forth that "to animate the efforts of our defenders by sea and by land, it is expedient to raise, by the patriotism of the community at large, a suitable fund for their comfort and relief, for the purpose of assuaging the anguish of their wounds, or palliating, in some degree, the more weighty misfortune of the loss of limbs; of alleviating the distresses of the widow and orphan; of smoothing the brow of sorrow for the fall of dearest relatives, the props of unhappy indigence or helpless age; and of granting pecuniary rewards, or honourable badges of distinction, for successful exertions of valour or merit." And it was also decided that "all sums, however small, which shall be offered by the patriotism of the poorer classes of our fellow-subjects, shall be accepted, the cause affecting equally the liberties and lives of persons of every description."

It will be gathered from this that the appre-

hensions of foreign invasion were real and widespread, and indeed the language of the appeal to the public at large issued from Lloyd's amply testifies to this. The document is worth quoting *in extenso*: "The merchants, underwriters, and other subscribers to this House, having this day met for the purpose of setting on foot a general subscription, on an extended scale, for the encouragement and relief of those who may be engaged in the defence of the country, and who may suffer in the common cause, and of those who signalise themselves during the present most important contest ; and feeling confident that, when our very existence as a great and independent nation is at stake, it only becomes necessary to point out any means by which the exertion of our native spirit, and the application of our powerful resources, may receive an additional stimulus, they beg leave to submit to the liberal consideration of their fellow-subjects the following resolutions, which have been unanimously passed at this meeting, and presume to hope that the object of this subscription will be so promoted and sanctioned by public bodies in general, by the higher ranks and opulent classes of society, and by individuals of every description, that the mite of the labourer, combining with the munificent donation of the noble and wealthy, shall be the best pledge of our unanimity ; shall inspire our seamen, our soldiers and our countrymen at large, with a well-grounded confidence in the liberality and gratitude of the community ; and shall impress on the minds of

our enemies the strong conviction that the energies of this great empire are as irresistible as its resources are incalculable."

Lloyd's launched this appeal upon the country by appropriating from the funded property of the society no less a sum than £20,000, "to set an example," as the resolution proudly worded it, "to the public bodies throughout the United Kingdom, and its dependencies, and to our fellow-subjects of every class and denomination." The example was nobly followed by all, with the exception, curiously enough, of "the higher ranks and opulent classes," of whom might reasonably have been expected the most. "The mite of the labourer" was there with a vengeance, "but the munificent donation of the noble" did not appear. In spite of this, upwards of £20,000 was subscribed within a few days, the scheme being received with the greatest favour throughout the length and breadth of the country. During the first six years after the opening of the fund, £424,832 was received by the committee of management, and even the humblest ranks were represented among the contributors. Servant-girls and schoolboys, labourers and watermen, sent their pence, and shillings—ay, and even pounds, thus justifying the proud boast made by Lloyd's that "we are ready to drain both our purses and our veins in [any] great cause which imperiously calls on us to unite the duties of loyalty and patriotism with the strongest efforts of zealous exertion."

The Peace of Paris brought the war to a close,

and with the cessation of hostilities ceased also the *raison d'être* of the Patriotic Fund. The accounts, however, were not finally made up until 1826, when it was found that nearly £630,000 had been received in all, Lloyd's heading the list with the splendid figure of £20,000, not reckoning the private contributions of individual members of the society. The Bank of England and the East India Company followed next with £5,000 each, and the Insurance Companies also subscribed handsomely. One result of the establishment of the fund was that, from a position of comparative obscurity, Lloyd's rose, at a bound, to an eminence of fame and popularity far beyond the limits of commercial life, and laid a landmark in its history which its members, present and to come, will always look back upon with a pride that is only exceeded by its justification.

The following is a copy of a certificate awarding a grant from the Patriotic Fund :—

Patriotic Fund,
Lloyd's, Dec. 3rd, 1805.

Sir,

I am directed by the Committee to inform you that, at a general meeting held this day, they voted you the sum of £20, in consideration of the wounds you received in contributing to the signal victory obtained by the British Fleet, consisting of twenty-seven Sail of the Line, under the command of the ever-to-be-honoured, and lamented, the late Vice-Admiral Lord Viscount Nelson, over the combined fleets of France and Spain, consisting of thirty-five Sail of the Line, off Cape Trafalgar, on the 21st day of October last, when nineteen Sail of the Line were captured and taken from the enemy, and, in the noble words of Vice-Admiral Lord Collingwood,



RICHARD THORNTON.

From an Etching by R. Dighton, 1818.

who so nobly completed the triumph of the day, "Every individual appeared a hero on whom the glory of his country depended."

I am, Sir,

Your obedient servant,

JAMES SHAW,

Mayor.

Mr. Robert Carthy,

Marine.

H.M.S. Belleisle.

The possession of a Patriotic Fund medal was eagerly sought after, as that of the Victoria Cross of our day, and, when obtained, was prized by its recipient as a well-nigh priceless treasure.

The Patriotic Fund was revived again in 1855, during the Crimean War, when Mr. R. Thornton, the celebrated City millionaire, commonly known as "Dicky Thornton," was at the acme of his commercial greatness. Those were days of big premiums, when underwriters had a good chance of making fortunes in legitimate business; but "Dicky" liked to engage in all sorts of risky "specs," and was known to be enormously wealthy. It is related of him that he had a standing bet with a fellow-underwriter at Lloyd's, that for every child the Queen bore he was to pay £1,000; but should her Majesty give birth to twins "Dicky" was to receive £20,000. That was one of his unlucky ventures, as it turned out. When the Patriotic Fund was reopened he was one of the first invited to subscribe, but, in his blunt way, refused to give a cent. Subscriptions, however, were received in sums of fifty guineas downwards, till a fairly respectable amount was collected, when Mr.

Thornton was again approached. By this time he had come to view the matter in a more favourable light, and, taking the pen between his trembling fingers, wrote his signature for two hundred and fifty guineas. "There," said he, as he threw down the quill—"good for three millions!" And he was, too.

By the way, a curious feature in connection with the *personnel* of Lloyd's is the heredity which seems to have obtained through many generations. As already stated, the institution attained considerable distinction and popularity in consequence of the inauguration and management of the Patriotic Fund, and was much "lionised" accordingly—if such an expression can be applied to a society. Many newspapers and magazines of the period devoted articles descriptive of the doings in the "Room"; and many names, which might otherwise have been forgotten, have thus been preserved from oblivion. In the following doggerel, which was published about 1805, and was entitled "A Literal, Critical, and Poetical Transcript from Lloyd's," it is interesting to find a great number of the names of men who are to-day frequenters of the "Room":—

A *Black* and a *White*, with a *Brown* and a *Green*,
 And also a *Grey* at Lloyd's room may be seen ;
 With *Parson* and *Clark*, then a *Bishop* and *Pryor*,
 And *Waters*—how strange ! adding fuel to fire—
 While at the same time, 'twill sure pass belief,
 There's a *Winter*, a *Garland*, *Furse*, *Budd*, and a *Leaf* ;
 With *Freshfield*, and *Greenhill*, *Lovegrove*, and a *Dale* ;
 Though there's never a breeze, there's always a *Gale*.

No music is there, though a *Whistler* and *Harper* ;
 There's a *Blunt* and a *Sharp*, many flats, but no sharper.
 There's a *Daniell*, a *Samuel*, a *Sampson*, an *Abell*—
 The first and the last write at the same table.
 Then there's *Virtue* and *Faith* there, with *Wylie* and *Rasch*,
 Disagreeing elsewhere, yet at Lloyd's never clash.
 There's a *Long* and a *Short*, *Small*, *Little*, and *Fatt*,
 With one *Robert Dewar*, who ne'er wears his hat.
 No drinking goes on, though there's *Porter* and *Sack*.
 Lots of Scotchmen there are beginning with *Mac* :
McDonald to wit, *McIntosh* and *McGhie*,
McFarquhar, *McKenzie*, *McAndrew*, *McKhie*—
 An evangelised Jew, too, and infidel Quaker.
 Then there's a *Bunn* and a *Pye*, with a *Cook* and a *Baker*.
 Though no tradesmen or shopmen are found, yet herewith
 Come a *Taylor*, a *Sadler*, a *Paynter*, a *Smyth* ;
 Also *Butler* and *Chapman*, with *Baker* and *Glover*
 Come up to Lloyd's room their bad risks to cover.
Fox, *Shepherd*, *Hart*, *Buck* likewise come every day ;
 And though many an ass, there's only one *Bray*.
 There's a *Mill* and *Miller*, *A-dam* and a *Poole*,
 A *Constable*, *Sheriff*, a *Law* and a *Rule*.
 There's a *Newman*, a *Niemann*, a *Redman*, a *Pitman*,
 But to rhyme with the last there is no other fit man.
 These, with *Young*, *Cheap* and *Lent*, *Luckie*, *Hastie* and
Slow.
 With dear Mr. *Allnut*, *Allfrey*, and *Auldjo*,
 Are all the queer names that at Lloyd's I can show.

The line concerning Robert Dewar and his hat is worthy of note as illustrating the prevalence of a custom which obtains to this day—though not so rigorously conformed to—of never doffing the hat. In those days it was not considered “the thing” for any but the waiters to remove their head-coverings, and any member seen bareheaded was liable to be accosted as “Waiter! waiter!” To this custom may perhaps be ascribed the fact that

most of the members of Lloyd's over forty years of age are decidedly "thin on the top," if not absolutely bald.

Just as the eighteenth century was drawing to a close, occurred another event which must always figure prominently in the history of Lloyd's, and which could supply ample material for the weaving of romance by some Robert Louis Stevenson. The accounts of the wreck of the *Lutine* have been almost as various as they have been numerous, but the facts may be briefly told. The *Lutine*, a thirty-two gun frigate originally christened by the French "*La Lutine*," but subsequently captured from them by the British, was engaged in October, 1799, to transport treasure to the value of upwards of a million sterling to Hamburg. The treasure was not for the payment of British troops abroad, as has been stated, but was the property of a number of London merchants, who were engaging in a purely commercial speculation. How a Government vessel came to be engaged in a private commercial enterprise is not quite clear, but the fact remains. Eighteen hours after leaving Yarmouth Roads, the vessel drove ashore, far out of her course, on the shoals of the Zuyder Zee. The report of the loss was received by the Admiralty on October 19, but Lloyd's was four days ahead with the receipt of the news. Of the two hundred persons aboard at the time of the wreck only one was saved, and he succumbed before reaching England. The underwriters at Lloyd's promptly settled a total loss on their

policies, though many of them must have been severely crippled, if not ruined, by this calamitous loss. Steps were immediately taken to recover some of the sunken treasure; but, unfortunately, England was then at war with the Netherlands, whose Government claimed the wreck as their spoil. While the war continued, the Dutch fishermen made the most of their opportunity of salvaging the specie, and some £56,000 was recovered, two-thirds of that amount being appropriated by the Government of the Netherlands. Salvage operations were carried on, at various times, for the next sixty years, upwards of £40,000 being recovered in the period between 1857 and 1861 alone. Of this sum, Lloyd's were entitled to one-half, under contract with a company of Dutch salvors, headed by Pierre Eschauzier, and sanctioned by the King of the Netherlands. But here arose a problem. During the sixty years that had elapsed since the wreck, the underwriters interested had all died, the policies had disappeared, and the very building in which the risks had been written had been reduced to ashes by the fire of 1838. So a special Act of Parliament was passed, allowing the Corporation of Lloyd's to take possession of the money, and settle any claims that might arise.

Since then no further operations have been undertaken, but it is estimated that upwards of a million still remains embedded in the sand, or rotting hulk of the old frigate, and some day a treasure-seeking expedition may be formed. Anyhow, there is no chance of Lloyd's ever forgetting

the story, as every visitor to the committee-room must be struck on entering with the massive old-fashioned chair and table, made out of the rudder, and the bell and chain of the ill-fated vessel. The rudder was recovered from the wreck in 1859, having been in the water sixty years, and the chair and table are suitably inscribed with a brief story of the disaster.

Another interesting memento of this famous wreck is preserved in the Guildhall, at the entrance to the museum, in the shape of a cannon which formed part of the *Lutine's* armament. The gun was recovered from the wreck in 1886, having been immersed for nearly a century, and was presented by the Corporation of Lloyds' to the City of London in 1888. It is mounted on a wooden carriage, which bears a tablet with a suitable inscription.

CHAPTER III.

TO-DAY.

THE establishment of a regular organized community for the conduct of marine business rendered it also desirable to adopt some definite form of marine policy, instead of the many varieties which had been in use ; and so, in 1779, the *printed* form of policy, which is still in regular and general use, was drawn up at a fully attended general meeting of the members. The only change in the wording of this document—which Mr. Justice Buller once described as “absurd and incoherent, and Lord Mansfield as “a very strange instrument”—was made in 1850, when the pious preamble of “In the Name of God, Amen,” was abolished, and the formal “Be it known that” substituted. This is the only alteration that has been made in this document, drawn up more than a century ago ; and, though it may justly be stigmatised as “hardly intelligible” to a layman, yet it has the merit of having had almost every clause explained by many legal decisions. Another thing worth noting is the clause towards the end of the document, to the effect that “This Writing, or Policy of Assurance, shall be of as much Force and Effect as the surest Writing, or Policy of Assurance, heretofore made in Lombard-street, or in

the Royal Exchange, or elsewhere in London." At the time this form was drafted, the connection between Lloyd's and Lombard Street had long been severed, but the memory is thereby still preserved.

The origin of the word policy is somewhat doubtful, but a well-known average adjuster derives it from the Latin word "Pollice," the ablative of "Pollex," and says it originally meant "with the thumb." In the olden days underwriters were not so expert with their pens as they are to-day, and they impressed their mark to the policy with their thumb, instead of affixing their signature. Whatever its derivative origin may be, it is a "promise" on the part of the underwriters, in consideration of a premium received, to undertake certain specified risks. It may therefore be described as a sort of Promissory Note. The "promise" of the underwriters is given to the person or persons named in the policy, or to his or their order. The name of some person must always be inserted—policies in blank are void in law. It is given, whether the thing insured is at the time "lost or not lost," and relates to a subject matter which must be defined. This must be at risk in or with a ship, and on a voyage clearly laid down in the document, and the whole policy is a guarantee against loss from certain perils duly specified therein. The written part of a policy overrides the printed part, when there is any difference between them. The policy is the only legal evidence of the terms of the contract of Marine Insurance. It must be correctly stamped, according to the

Stamp Act, and dated. An unstamped policy is void in law ; and this applies to all Policies in England, whether effected here or abroad.

The immigration to the Royal Exchange had been necessitated by the increase of the number of frequenters of the Coffee-house, and with its numbers grew its strength and importance. Success was writ large over the portals of the institution, and active competition could not be long in coming. Nor was it. Half a century earlier, the monopoly of carrying on marine insurance business by Joint Stock Companies had been granted by Act of Parliament to the Royal Exchange and London Assurance Corporations ; but these two companies, instead of injuring Lloyd's, in reality did just the reverse. The charter of George I., intended originally to protect the two Corporations, also protected Lloyd's from anything like serious competition. During the last fifty years of the eighteenth century the volume of marine insurance business had grown to an extraordinary size, and the two Corporations being unable to handle more than a mere fraction of it, the bulk went to the Room, the proportion being perhaps nineteen-twentieths to Lloyd's, and the remaining one-twentieth between the Royal Exchange and London Assurance Corporations. The Parliamentary Commission of 1810 elicited the information that of a total of £656,000 insured on the *Diana* frigate, on a voyage from Vera Cruz homewards, no less than £631,800 was underwritten at Lloyd's, the remaining £24,000 being divided by the two

Corporations. It was during that forty years of storm and strife which began in 1775 with the American War of Independence, and ended with the Peace of Paris in 1815, that Lloyd's rose to an eminence which was utterly undreamt of by its early patrons. The wars which were carried on almost without cessation during that period, compelled merchants to pay very high premiums for the insurance of their floating property, for, to the ordinary risks and perils of the sea, were added the dangers of "Surprisals, Takings at Sea, Arrests, Restraints, and Detainments of Kings," etc., which were real indeed. During the year 1782, when all the naval powers of Europe were in arms against Great Britain, the following premiums among others are stated in Anderson's "Historical and Chronological Deduction of the Origin of Commerce" as being currently quoted:—

London to the West Indies, with convoy, 10 per cent., or 20 to return 10.

London to Jamaica, with convoy, 12 per cent., or 20 to return 8.

London to New York and Halifax, with convoy, 15 guineas per cent., or 25 to return 10, if ships of force; without convoy, if ships of force, 25 to return 8.

London to Cork, Waterford and Dublin, 6 guineas per cent.

Ireland to Portugal, 15 to 20 per cent., to return 5 to 10 if with convoy; to the Mediterranean an advance of 3 per cent.

Jamaica to Great Britain or Ireland, 25 per cent., to return 8 if without convoy, or 16 per cent. warranted with convoy.

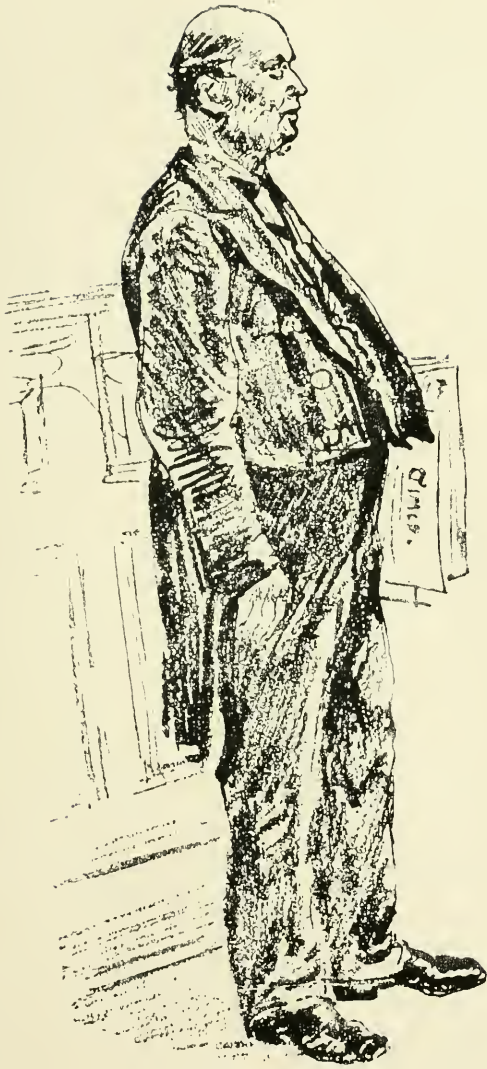
Liverpool, Bristol and Glasgow to New York, 25 to 30 per cent., to return 16 for convoy.

The security of Lloyd's was undoubted, and the war had the effect of driving business into this country from all parts of the world, and lines of £1,000 a name were subscribed by underwriters as readily as £100 to-day. On the *Diana*, before referred to, Mr. Thomas King wrote £10,000, while several others took lines of £5,000, £3,000, and so on. It is easy to see, therefore, that fortunes were in many cases rapidly built up, and the prosperity of individuals became the wealth of the Coffee-house as a body.

This was the condition of things that obtained when the directors of the Globe Fire and Life Insurance Company applied to Parliament, in 1798, for a repeal of the Act of George I. as far as it prevented other Companies from carrying on marine insurance business. The application was not successful, but it led to a Parliamentary inquiry into marine insurance generally. During this inquiry Lloyd's came in for some pretty rough handling at the instigation of those who looked with envy upon the success of the institution, but it ultimately emerged from the ordeal, as the newspapers of to-day would say, "without a stain upon its character." And for another period—until 1824—Lloyd's and the two chartered Corporations

had the whole marine insurance business in their own hands. The inquiry, however, had had this good result, that it exposed the looseness of the system of Government that obtained at Lloyd's; and public attention having been directed towards this weakness, Lloyd's, for its own sake, could not long allow the defect to remain unremedied. Moreover, now that freedom from external agitation had once more been obtained, the members of the Coffee-house had leisure to look at home. And so it happened that in March, 1811, a committee of twenty-one members was appointed "to consider of such measures as may be necessary for the future good management of the affairs of this House."

For the preceding forty years or thereabouts the affairs of Lloyd's had been directed by a "House Committee," composed of from twelve to twenty members appointed for life; but they, in their turn, seem to have been controlled by the general body of members assembled at general meetings. Again, a large amount of detail work appears to have been within the province of the "masters," the term originally applied to the proprietors of coffee-houses. Of course, when the migration took place to the Royal Exchange, Edward Lloyd had long been dead; but the society still preserved his name, together with the titles of "master" and "waiter." The latter remains to this day, but the former ceased to exist in comparatively recent times. The duties of the waiters were what we understand them to be to-day; but the



A WAITER.

functions of the "master" at Lloyd's—generally appointed from the ranks of the waiters—were something more than directing his subordinates, as he participated in the profits of the Room, had to pay the rent and taxes, and supply stationery, newspapers, etc.

The minutes of Lloyd's record that at the very last meeting of subscribers held in Pope's Head Alley, it was resolved to appoint, as master of the new rooms in the Royal Exchange, Thomas Tayler, the then head-waiter, and that he should "reap one fourth part of the net profits of the House." It was also resolved at the same meeting that Tayler and his head-waiter, one Thomas Fielding, should participate in certain fees and "become tenants at will to the subscribers to New Lloyd's Coffee-house, paying them the "annual rent of one hundred and eighty pounds." This, however, was a very anomalous state of things, and one which one of Her Majesty's Secretaries of State was the indirect cause of being remedied to a certain extent. At the beginning of this century it seems to have been part of the master's duty to carry on the correspondence of the House, for, in 1804, Lloyd's was in communication with the Government on the subject of convoys and other matters affecting the business of the underwriters in consequence of the war that was then in progress. A few letters were interchanged, those from Lloyd's being signed as usual by the master, but the correspondence was brought to an abrupt conclusion by the curt intimation of Earl Camden,

the Secretary of State for the Colonies and War Department, that he was unable to continue a correspondence with the "waiters at Lloyd's Coffee-house." This decided snub immediately resulted in the appointment of a secretary to conduct the correspondence of the House.

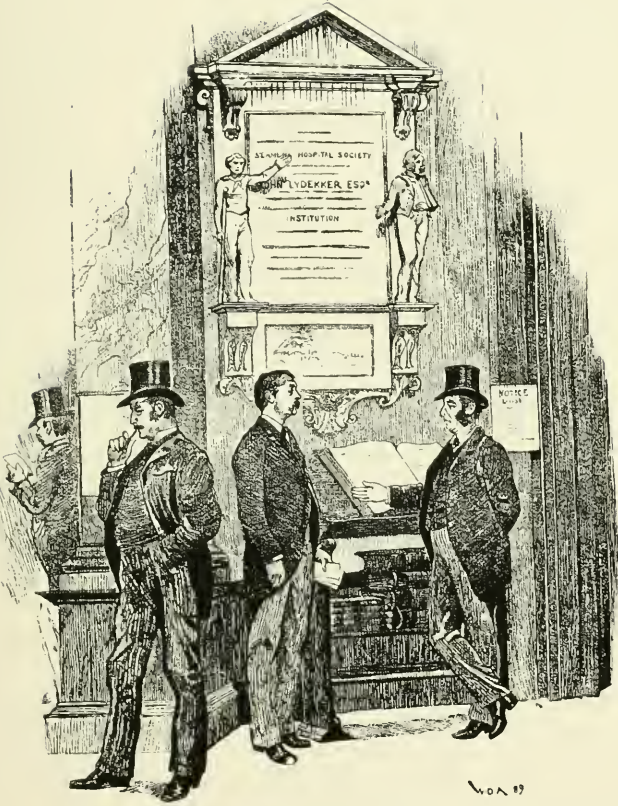
At the hands of the Committee appointed in 1811, the Government of Lloyd's underwent a thorough reorganisation, the whole of their recommendations being adopted. One of them was that agents should be appointed, to act for the benefit of underwriters in general, in place of the system then in vogue, of individual underwriters appointing another to act for them by power of attorney. This Committee also for the first time expressly laid down what class of persons were eligible as subscribers to Lloyd's; what forms should be gone through prior to election, and many other very excellent rules and regulations, many of which guide the conduct of Lloyd's to this day. Amongst other things, a suggestion had been made by Mr. Joseph Marryat, that a Board ought to be established for the purpose of settling averages. In those days the profession of "average adjuster" did not exist, it being customary for the broker to "state" the averages which he desired, on behalf of his clients, to collect from the underwriters. The Committee thus reported on the proposition:—"The great difficulty in settling averages appears to your Committee to arise either from a want of skill or industry in the broker to state, or in the underwriter to examine them, for the prin-

ciples upon which they are to be made up have been so completely settled in most cases by legal decisions, that disputes seldom happen between men who have given proper application to the subject. It might certainly contribute very much to the ease and convenience of many individuals to refer all complex statements and voluminous papers to a Board of Average ; but it is the duty of every broker and underwriter to qualify himself for the avocation he undertakes, and your Committee are persuaded that in this, as in every other case, the underwriters would find a material difference between superintending their interests themselves as they now do, and leaving them to the superintendence of others. Your Committee consider the present system of making up statements by the broker on the part of the assured, and examining those statements by the underwriters as being well calculated both to prevent delay and to promote the ends of justice ; and they find so many objections to the difficulties in the formation of a Board of Average that they cannot recommend such a plan to the adoption of the subscribers."

Another movement in the same direction, some fifteen years later, met with no better success, and as average adjusting as a separate and recognised profession came more and more into vogue, the need for the agitation disappeared. In later years a development of the same idea has shown itself in the suggestion of an *Examiner* of Claims being established at Lloyd's, to look

into the statements of the average adjusters on behalf of the underwriters generally, and report thereon for the common benefit. The idea was mooted in 1868, and a general meeting was held in April, 1874, to consider the subject. Once more, however, Lloyd's decided in the negative, and the same attitude is preserved by the Committee of Lloyd's to-day. The only point connected with claims that has been dealt with recently, is that of the *payment* of them. At a meeting of the members held in 1870, it was resolved that on and after the 1st July, 1870, the payment of losses should be made one week after settlement, instead of a month, as was previously the case, thus assimilating the practice at Lloyd's with that adopted by the Companies.

The year 1824 witnessed the repeal of the Act of George I., and opened out the field of competition in marine insurance business to whomsoever cared to enter it. The first to take advantage of it was the Alliance Company, founded by Nathan Rothschild, at whose instigation the repeal Act had been passed, and the Indemnity quickly followed. With the latter will ever be associated the name of Mr. William Ellis, who occupied its underwriting chair for half a century, and established a reputation for himself which has never been approached in the history of marine insurance. The story of the establishment of the many marine insurance companies, which have been founded since then, would fill a book in itself. Suffice it to say, that by far the larger



AN INTERESTING DISCUSSION.

proportion of those established have long since ceased to exist, and the fear so earnestly expressed at Lloyd's that indiscriminate competition would bring about the ruin of the coffee-house has never been near to realisation, and, if history is a safe index to the future, never will be. Still, underwriters have suffered somewhat severely, of late years, by the decrease of rates, in consequence of the severity of competition. Many men date this down-grade movement from, and attribute it to, the opening of the Suez Canal. Certain it is that the adoption of this new route revolutionised our Eastern trade, and exercised a very wide influence upon the fortunes of underwriting.

Mr. J. T. Danson, of Liverpool, in his pamphlet on "The Underwriting of 1872," wrote:—"In 1859, began an era of speculation in marine insurance, which is not yet closed; and which, it were well if those who are still liable to lose their capital would look a little closer into the history of. Many now are the sufferers, but few care to parade such experience, and fewer still—though keenly alive to effects—could say anything profitable of the cause of their losses." After detailing the Companies which were established and which collapsed between 1859 and 1865, he goes on: "The Companies now surviving were indebted for much of their early growth to special circumstances not very likely to recur. The American Civil War broke out in April, 1861; it soon had the effect of transferring to this country the greater part of the marine insurance in the foreign

trade, previously done in the United States. The war ended in 1865; but the old confidence in American underwriters was not immediately restored. It was not till 1868 that the business which had been driven by the war from its ordinary channels began in any great measure to return to them. Thus, the surviving Companies had the advantage, for some years, of an enhanced demand for marine insurance in this country."

There is much truth and sound wisdom in the remarks of Mr. Danson, but the immediate provocative of the pamphlet was generally supposed at the time to have been the formation of the "Imperial" and "Standard" Marine Insurance Companies in Liverpool, which Mr. Danson, as underwriter of the Thames & Mersey Company, looked upon with little favour. A reply to the pamphlet was quickly forthcoming in the shape of a frivolous skit in verse, which, if I remember correctly, began thus:—

"Cheeky Danson, full of bile,
Swore he'd write a pamphlet;
These cursèd new insurance folk
He'd make 'em every man flit.

"How dare they poach on his preserves,
And steal away his treasure?
His is the only Co. that gives
Imperial Standard measure."

The Standard Company still exists, but the Imperial went the way of the majority some years ago.

But if Lloyd's as a collective body of underwriters suffered in material prosperity, Lloyd's as an

Institution had a still higher pinnacle of greatness to attain, the achievement of which brings us down to recent times. The constitution of Lloyd's as established in 1811 had lasted for a considerable period without any material changes ; but, as with most other things, the time came when repairs could be no longer delayed. Ever since 1824 there had been, in the minds of some of the members, the idea of still further strengthening the position of Lloyd's, though nothing of much moment was accomplished. But, at a general meeting of the members of Lloyd's held in 1870, it was decided, after protracted debates, to apply to Parliament for an Act of Incorporation. "Lloyd's Bill" met with considerable opposition, but ultimately in May, 1871, owing in no small measure to the untiring efforts of Mr. B. C. Stephenson—who is now, perhaps, better known as the author of "Dorothy" than as the late secretary of Lloyd's—the charter of incorporation was granted to Lloyd's, the corporate objects being, briefly : (1) The carrying on of the business of marine insurance by members of the society ; (2) The protection of the interests of members of the society in respect of shipping and cargoes and freight ; and (3) The collection, publication, and diffusion of intelligence and information with respect to shipping. The carrying out of the last named of these objects—always a prominent feature of the "Coffee-house"—has of late years reached a high standard of perfection. The intelligence department comprises in the first instance about 1,500 agents, who are stationed in

every town and port of the globe frequented by vessels ; and it is the duty of these officials to give prompt information of all arrivals, sailings, wrecks, casualties, and other occurrences to headquarters at the Royal Exchange. The selection of these agents is entrusted to a special committee, and the post of Lloyd's agent is eagerly sought after on account of the social position and prestige which the appointment confers.

The Committee of 1811 evidently comprised a far-seeing body of men, for in its recommendations on the subject of Agents it "presumed" that the appointment, "independent of the emoluments that may occasionally attend it, will, . . . render it a desirable object to merchants in general, who will readily undertake to furnish the Committee, in return, with regular advices of the arrival and sailing of vessels, and every other information in which the interests of underwriters are concerned." The duties of Lloyd's agents are by no means, however, confined to furnishing news to headquarters, and are set forth at length in a "letter of instruction" with which every agent is supplied on his appointment. It is the business of the agent to offer the master of a vessel ashore, or in distress, such assistance as the nature of the case may require ; to see that his protest is properly drawn, and to certify the truth of the statements contained therein, when opportunity permits ; in case of a wreck, to take charge of the ship's materials and stores, as well as such cargo as may be saved, and prevent the same from being wasted or pillaged ;

when vessels are repaired, to see that the repairs done at the expense of the underwriters are confined to the damages actually received on the voyage insured, and do not extend to those that may have been received on a former voyage, or defects arising from age ; and generally, so to act on behalf of the underwriters as they would if the case were their own, bearing in mind that "underwriters require such premiums as experience has taught them to calculate will indemnify them for the risk they take ; and that, as they are obliged to make the good pay for the bad, it is the interest of every honest merchant to protect them against imposition." Considerable scope is afforded to an agent for the exercise of his energy and ability in respect of the condemnation of vessels at ports of distress. As his "enumeration of duties" sets out, "Ships and cargoes are sometimes condemned not so much from real necessity, as because it is the interest of the parties to abandon, and throw the loss upon the underwriters. Frauds of this nature may be prevented by due attention, and the appointment of respectable persons to act upon surveys, who will distinguish between accident and design, or unseaworthiness arising from natural decay, for which underwriters are not liable." What was true in 1811, when this "Letter of Instruction" was drawn up, is true to-day, and probably will be to the end of the chapter.

A great deal of mistaken conduct of masters in distress arises out of the fact of insurance, while his supposed duty to his owners often leads him

to act so as to try to secure the largest possible sum to them at the expense of the underwriters. *All such conduct is essentially a fraud upon the underwriters.* The only motive which can properly impel an honest master in all cases alike *is the simple direct desire to save and preserve the property* without the slightest reference to the insurance or to the ownership.

But, after all, accidents and cases of emergency happen only occasionally, while the ordinary news of ships' comings and goings is at many ports constantly happening. The preparation and transmission of this, at many places, must take up a considerable amount of time and attention, and it is but bare justice to say that, in the majority of cases, this work is most carefully and efficiently performed.

The information thus obtained is sifted and distributed for the benefit of subscribers, and the world at large. A staff of clerks is employed day and night to deal with the vast number of messages that are received. On receipt of a telegram, it is first translated (if necessary), and then given to a clerk for several copies to be made. The English marine insurance Companies, who pay the full subscription of £400 a year to Lloyd's, have messengers with shipping news continually throughout the day, and at the same time reports are constantly being wired to other maritime centres in connection with Lloyd's, such as Liverpool, Glasgow, or Hamburg. Another branch of this department, which has been worked with great success, is the reporting

of vessels as they pass the various signal-stations established at important points along our coasts, and at several places abroad, such as Gibraltar, St. Helena, Malta, Perim, and Aden. A ship, to be reported, has only to sail in close enough for her signal letters to be made out, and the news is immediately flashed along the wires to Lloyd's, and there posted and distributed for the benefit of all concerned. A small charge is made to ship-owners for this information, but the system is very extensively made use of.

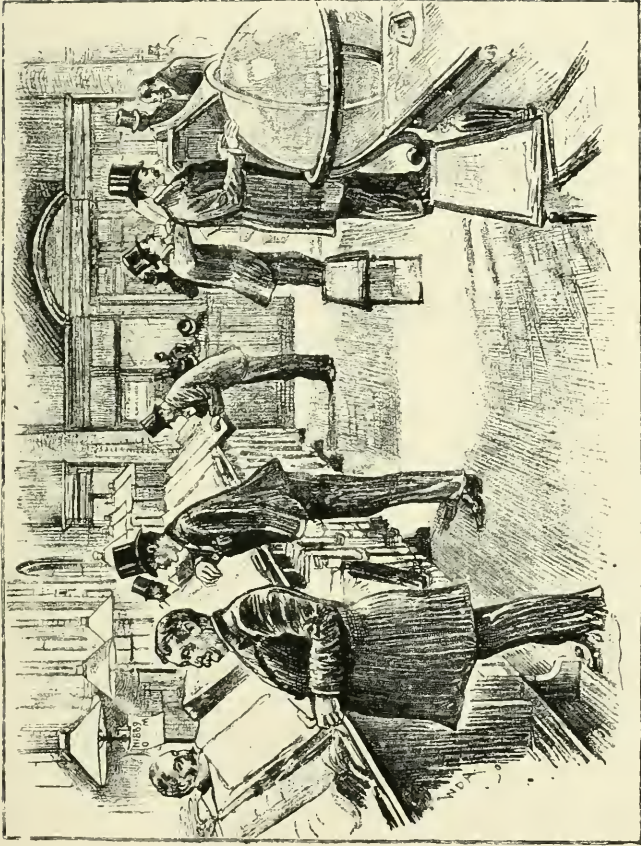
The Committee of Lloyd's also make a special appeal to captains for particulars of the vessels spoken on the voyage, and expect them, in case of any wreck, or vessel in distress, or overdue, becoming known to them, to communicate the fact to Lloyd's agents at the first port of call. The Committee cannot, of course, compel them to do this, but as their printed request states, "It will be enough for them to suggest, in order to enlist the warmest support of captains, how often the news thus received may be the only means of conveying to shipowners, and relatives of crews, the assurance of a vessel's safety."

A small office on the ground floor in Threadneedle Street is set apart for inquiries, which are answered free of charge, and many an anxious relative of some sailor in far-off seas wends her way thither, to have her fears confirmed, or hopes revived.

Nor does the work of recording end here. An elaborate system of indexing, first invented by Mr. James Bischoff, and practised on his own account,

is in vogue at Lloyd's, by which the whereabouts of vessels in every part of the world can be quickly ascertained. A number of huge volumes, alphabetically arranged, are placed in the Reading-Room, and a staff of clerks is constantly employed in entering up the records. The entries made in these volumes are references to *Lloyd's List* of given dates, by turning up the files of which, information can always be readily traced. Every year a new set of volumes is used, and the old ones are stored away for reference, if required at any future time.

In addition to these books, a "Captain's Register" is also kept. This is nothing less than a biographical dictionary of the whole of the certificated commanders of the British mercantile marine, numbering some 30,000. The information contained in this register is furnished exclusively to Lloyd's from the records of the office of the Registrar-General of Shipping and Seamen, and is supplied under the authority of the Board of Trade. The information given, though most concisely arranged, gives each man's full mercantile history—his age, the date and place of his birth, the port at which he was examined, with the date of his examination ; the names of the ships in which he has served, whether as master, or mate with a master's certificate ; and whether those vessels have come to grief under his care or not. This book of records, one would think, would be a sufficient deterrent against careless navigation on the part of captains ; but underwriters even now are sometimes heard to exclaim that more stringent penalties



THE READING ROOM.

should be enforced for gross negligence when some fine vessel, in which they are pecuniarily interested, comes to destruction through recklessness, or worse.

The completest biography of any captain, however, would be of little use without some particulars of the ship he navigated, and for this purpose "Lloyd's Register of British and Foreign Shipping" is published annually, giving the fullest details of every British vessel of one hundred tons and upwards, and including many foreign-owned ships as well. From the earliest days of the Coffee-house the necessity of having some such record seems to have been recognised by underwriters, and accounts of such vessels as were likely to be offered for insurance were kept by the early frequenters of the place. These "Ships' Lists" were in manuscript, the first printed register being published about 1730. The date cannot be exactly determined, as the earliest copies were all destroyed by the great fire which, in 1838, laid the old Royal Exchange in ashes, and consumed many other valuable books and documents relating to marine insurance. The oldest copy of a "Register of Shipping" in the library at the office of "Lloyd's Registry"—indeed, so far as can be ascertained, the oldest copy of any book of the kind at present in existence—bears the date of 1764-5-6, for which period it was evidently current. Its charred edges bear evidence of having passed through the flames.

The work of surveying and classifying the vessels recorded in the "Register" is carried on under

a committee specially appointed for the purpose, which, though distinct from Lloyd's, may yet be regarded as a sister association. To Mr. Thomas Chapman belongs the greatest share of the credit of establishing "Lloyd's Register," which, in 1834, was remodelled with a new set of rules, the appointment of a number of surveyors, and so on ; so that to-day the volume which is issued from White Lion Court is the most complete and reliable authority of the kind in existence.

The "Register" contains the names, classes, age, owners, builders, dimensions, signal letters, and many other useful particulars relating to vessels classed by the society, and also includes, as far as possible, names, dimensions, etc., of all other merchant vessels of the world of one hundred tons and upward, some of which, although not classed by the society, are classed elsewhere. An appendix is also issued containing a list of owners and ships recorded in the "Register Book," with the names and tonnages of their vessels ; details of the docks, tidal harbours, quays, etc., at all ports in the world ; a list of the telegraphic addresses of all firms connected with shipping, and particulars of the war vessels belonging to all nations. By referring to this "Register," an underwriter can see at a glance a vessel's condition, and its fitness for carrying any particular cargo, or undertaking any particular voyage. The term "A 1," which has become a familiar expression of common usage, owes its origin to this publication—the letters signifying the highest class for wooden vessels. The symbol

for the highest class of iron vessels is "100 A 1"; and the details given respecting construction, ownership, etc., combined with the signs and symbols allotted to each vessel, enable an underwriter to estimate to a nicety the requisite premium for any risk that may be submitted to him.

Of course, in such a business as is carried on at Lloyd's, the volume containing the record of losses as they occur, occupies a prominent place in the thoughts of underwriters, as it does in the Room itself. This "Black Book"—a ponderous tome bound in *green* leather—is the object towards which most underwriters feel themselves magnetically attracted on their entering the Room. Something like three thousand casualties are entered in the Loss Book in the course of the year. On the occasion of the memorable gale in 1881, no less than one hundred and eight casualties were recorded on its pages in one day; the number of lives lost at sea in the one week amounting to six hundred and seventy-three. The year 1890 was undoubtedly the most disastrous season experienced since 1872, not so much as regards the number of vessels lost, but the value of those whose arrival in port was never chronicled was unusually high. To a student of human nature this Loss Book would afford ample opportunity for the exercise of his hobby, in observing the demeanour of those who peruse its pages. By long practice some underwriters in the Room have schooled themselves to betray, by no movement of their features, the fact that they are interested in

any of the disasters there recorded. But not many have obtained so complete a mastery over their emotions, and a close observer might generally tell who is "hit," and who escapes.

After digesting the contents of the Loss Book, frequenters of the Room generally make their way to the Telegram Room, technically known as the "Chamber of Horrors." Here copies of telegrams reporting casualties from all parts of the world are posted up, and an eager group is generally to be found scanning the news which means so much to them. Most of the telegrams refer to casualties not sufficiently important to be entered in the Loss Book, and so they are posted here on yellow flimsy, for all to read who care. Besides casualties, reports from our coasts are posted on brown-coloured paper, and foreign arrivals and sailings on yellow tissue; also committee notices, and lists of candidates for election as members or subscribers to Lloyd's. In the recess of one of the windows may generally be observed one or two notices on white paper. These refer to missing or overdue vessels. The custom of "posting" vessels that are overdue is a time-honoured formality at Lloyd's. When a vessel is so much overdue as to be regarded by her owners as hopeless, application is made to the committee to have the vessel "posted." If the committee consider such a proceeding would not be premature, a printed notice is, on Wednesday, affixed to the board near the window in the Telegram Room, stating that the committee would be glad of any information con-

cerning the —, which left, say, London for Melbourne on such and such a day. The following Wednesday, if no news has been received in the meanwhile, a notification is posted up that the — left London for Melbourne on the — day of —, and has not since been heard of. Thus is a vessel "posted as missing" at Lloyd's, and on the day this formality is gone through the loss is payable by the underwriters, and collected by the brokers who effected the insurances. The wages of the missing crew are also payable up to that time, but by that formality the unfortunate men are legally adjudged to be dead, and probate of their wills can be obtained, and Letters of Administration taken out. Diligent search and enquiry has not revealed any instance of a vessel once posted as missing ever afterwards re-appearing. Some few years ago, a little coaster, not having been heard of for many weeks, on a short voyage, was put up for inquiry at Lloyd's, and the notice elicited the information that the missing craft was snugly ensconced in a haven on the West of Ireland coast.

A vessel called the *Pym*, twice ran a very near risk of being advertised as overdue, on a voyage from the States to Japan, taking five and a half months to reach the Straits of Anjer, and another five and a half to get to her destination. Instances, however, have been known of the crew of a "posted" vessel re-appearing, Enoch Arden-like, after all their friends had given them up for dead. Many years ago, a ship going out to the East, after

doubling the Cape of Good Hope, got a long way out of her track to the southward, and eventually struck on one of the islands of the Crozet group. Here the survivors of the wreck, "set in this Eden of all plenteousness," remained for five long, weary months, recking little of the tropical beauties of their earthly Paradise, and eager only for that deliverance which was so long in coming. Eventually, one of Her Majesty's ships, cruising in the neighbourhood for castaways, saw their signals, and took them aboard. When they arrived in England, however, they were as dead men come to life again; and many of them found that, with the fickleness characteristic of sailors and sailors' wives, their "widows" had married again. Whatever may be the legal position of a man in such circumstances, the actual situation is painful in the extreme; and unfortunately the sequel must be left to conjecture, as history does not supply positive information.

Another similar case was that of the *Derry Castle*, which was wrecked on Enderby Island in the Pacific. There was no time to save anything from the wreck, as the vessel went to pieces almost immediately; and when the survivors landed on the beach with hardly anything but the clothes they stood up in, and those dripping wet, their consternation and dismay may be imagined on discovering that only one of their number possessed a match, and he not a boxful, but *one solitary lucifer*. The description of the care with which this treasure was laid out in the sun to dry;

of the casting of lots as to who should strike it ; of the feverish anxiety lest a puff of wind should extinguish it on being applied to the pile of dried grass and driftwood, arranged with such infinite care ; and the sighs of relief that escaped the poor fellows as they watched the thin blue smoke of their fire curling heavenwards — all this would require the pen of a Stevenson, or a Jules Verne to do justice to. For several weeks this fire was kept constantly burning, the men living during this time on clams, fruits, land-crabs and such natural products as the island afforded. And when, by means of a raft, some of their number succeeded in reaching a neighbouring island, on which a Government ship, patrolling the Pacific, had left stores for such as them, their joy was only exceeded when their rescue was effected a month or two later. Here again their ship, not being heard of, was posted as missing, and the crew afterwards turned up to tell the story of her loss.

The American barque *Tewkesbury L. Sweat* was not actually posted as missing, because no insurances were placed at Lloyd's upon her, or her cargo, but the friends of the crew had long given them up for dead, when they re-appeared as it were from the grave. The story of their adventures reads like a romance. The vessel was on a voyage from Newcastle, N.S.W., to Hong Kong, and, a month after sailing, encountered a gale which drove her ashore on Susanne Reef, near Pozeat Island, one of the Carolines. The vessel went to pieces soon after she struck, and nothing was saved from the

wreck but one chronometer. The crew escaped in one of the ship's boats, and managed with great difficulty to reach a small islet to the northward. From this islet, after the storm had subsided, they made the island of Pozeat, which is inhabited by fierce savages. As the boat approached the island a fleet of canoes put off from the shore, the men being armed with knives and spears. Some of the savages in their eagerness jumped overboard and swam to the boat, each with a long knife held between his teeth. The first savages to reach the boat clambered in until the boat was nearly swamped. Then they began to strip the sailors of their coats and outer garments, until they had despoiled them of everything but their undershirts. During all this time a tremendous babel of shouting and singing was going on, not only from the men, but from a crowd of women and children, who were dancing about on the shore. The sailors expected no better treatment than to be killed and eaten, but, as they learnt afterwards, the natives of this island are not cannibals.

While the shipwrecked crew were standing surrounded by this yelling mob, a man dressed, as all the others, merely in a hip cloth, came forward and spoke to them in English. He gave his name as Charles Irons, an Englishman by birth, and offered to render any assistance in his power. He had, it appeared, been left at Pozeat by a trading vessel a few years previously, his business being to represent traders in Cocoanut Island, but the vessel which left him had failed to call for him,

and he had gradually assumed the habits of the natives, becoming more or less like them in appearance and manner. He had taken to himself seven wives, and was regarded by the natives as a man of importance, second only to the chief of the tribe. The man had even forgotten many of the details of civilization, but he proved of good service to the captain, and was no doubt the means of saving him and his crew.

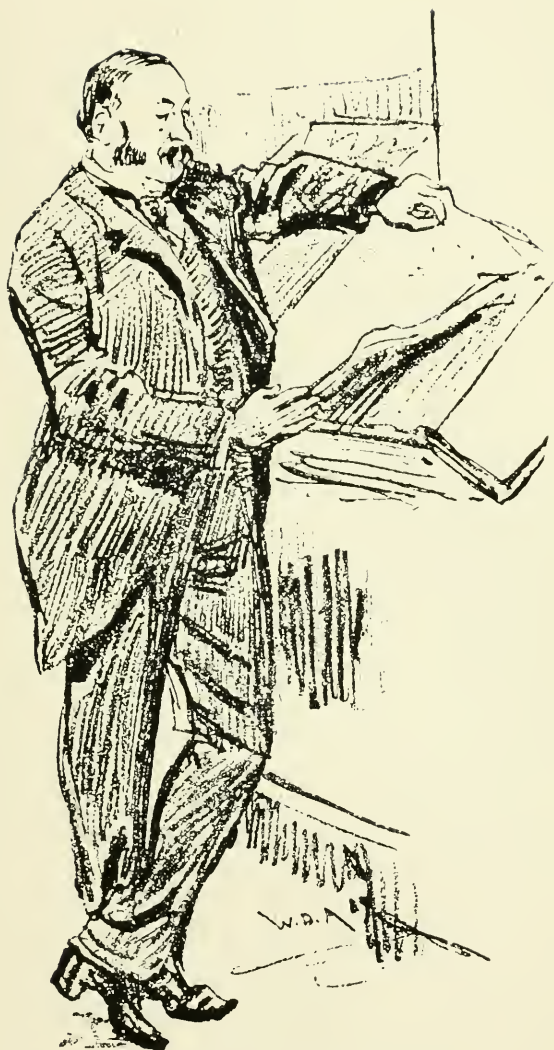
A day or two after landing at Pozeat, Captain Gooding, the master of the *Tewkesbury L. Sweat*, who had become uncertain about his reckoning of time, and did not know exactly whether the day was Thursday or Friday, asked Irons if he knew what day of the week it was. Irons answered that he did not ; and more than that—he did not know what year it was. He, however, interested himself on behalf of the shipwrecked men, and hired a canoe from the natives. Captain Gooding, the second mate, and one of the ship's crew, set sail ten days after arrival, leaving the first mate, and the rest of the crew, seven in all, at Pozeat. In this craft the captain and his men made their way from island to island, touching at many different places, and making stops at each, varying from two days to a month, finally arriving at Ruk, where there is a missionary station. Here they were cared for by the missionary, and obtained the use of the boat belonging to the station. In this boat the captain and his faithful crew again set sail, making for Pozeat, which they reached in safety, and returned to Ruk with the

mate and men they had left behind. Two months later the missionary vessel, *Morning Star*, arrived and took them all to Honolulu, where they arrived nearly nine months after they had set sail from New South Wales.

It may be added that the man Irons declined to accompany the sailors when they left, preferring to retain his savage freedom, and his seven wives. Possibly the restraints of civilization, to which he had so long been a stranger, had no attraction for him, or, may be, the prospects of his becoming chief of the tribe, opened up to him an avenue of ambition which he was fain to tread. Anyhow he preferred to be left where he was, and may perhaps be there still.

No system for the recording of losses, however elaborate and extensive, would be complete without an equally careful chronicle of arrivals. This is made in two huge volumes, of the size of the Loss Book, which are placed on stands at the entrance to the Reading Room. One book is kept for the entry of all arrivals of vessels at foreign ports, and the other at home ports, and both are constantly perused by underwriters.

Of late years a "Confidential Index" has been published, showing the histories, tonnages and losses of all British steamships of 100 tons and upwards, the number of shares held by the managing owners, the number of shares mortgaged, the names, and subsequent employment, of officers of both the sailing and steam mercantile marine whose certificates have been suspended, and much other important and useful information.



STUDYING THE ARRIVALS.

CHAPTER IV.

INSURANCE FRAUDS.

EVEN with all the safeguards described in the last chapter, underwriters are, from the very nature of the business, particularly exposed to frauds by unscrupulous persons. Every one is familiar with the story related by Charles Reade, in "Foul Play," of how an owner of two vessels which were coming home from Australia—one with a cargo of copper, and the other gold—caused the cargoes to be transferred from one to the other before sailing, in order to defraud the underwriters. The ship supposed to contain the nuggets, but which in reality had the copper on board, was scuttled, and a total loss claimed as for the gold. The story seems highly improbable, and most likely owed its origin to the fertility of the novelist's brain; but that equally fraudulent practices are by no means altogether things of the past is unfortunately only too true. Only a year or two ago, a vessel on a voyage from a small port in Spain to the Plate, and stated to have a valuable cargo of wine on board, was lost off the Cape Verde. A claim was, in due course, made upon the underwriters; but, their suspicions being aroused at so large a value of wine coming from

so small and insignificant a port, investigations were made, which resulted in the discovery that most of the casks of wine (?) were filled with coloured water, and the claim was repudiated *in toto*. The fraud was discovered by an examination of the customs' returns of the port in question, which revealed the fact that the quantity of wine shipped from the place during a whole year did not amount, in the aggregate, to that which was stated to have been on board the scuttled vessel.

Another fraud on similar lines, which happened many years ago, is a tradition at Lloyd's. A vessel said to be carrying specie to a very considerable amount, and insured in the Room, left the Thames for the West Indies. The vessel ran on a reef not very far from her destination, and was reported by the captain, who with the crew was saved from the wreck, to have slid off the rocks and foundered in deep water. The prospects of salvage did not, however, appear to the underwriters interested as hopeless as the reports were calculated to lead them to believe. What the Americans, by a curious misapplication of terms, call a "wrecking" expedition, was despatched, and the vessel was found, but the specie was not, and extensive searching did not reveal to the astonished salvors anything more valuable than a *cargo of stones!*

Drawing again upon the records of the distant past, perhaps the best story of fraud on underwriters is that of "the noted Captain Codling"—the best because it possesses such an excellent moral. I cannot do better than repeat it as related

in Mr. Frederick Martin's admirable "History of Lloyd's and Marine Insurance."

"Early on a fine Sunday morning, on the 8th of August, 1802, while the sun was shining bright upon a calm sea, the promenaders on the beach of Brighthelmstone, or Brighton, were surprised to behold a brig in the offing only a few miles from shore, evidently in a sinking state, and yet making no signals of distress. A number of fishermen's boats had pushed off already to offer their services to the strange vessel; but, when approaching it, the captain sternly ordered them away, declaring with an oath, that he would not allow any one to come on board as long as he was there, the master of his own property. Compelled to do so, the fishermen stood away, hovering about the sinking vessel, and their movements, and the noise made by them upon the quiet and almost waveless sea, soon brought up a small man-of-war cruising about, the revenue cutter *Swallow*. Unlike the fishermen, the officer in command of the cutter, Captain Amos, paid no attention to the order to stay away from the brig, but, taking her in tow, without long parley, commenced pulling her towards the shore. But it was found that the brig was thoroughly water-logged, and when still about two miles from the shore, she sank, but in water not deep enough to prevent the two masts from appearing over the surface. The captain and crew of the sunken vessel, before this, had taken to a boat, prepared in every detail to receive them, and they quickly rowed ashore, stared at by the crowd

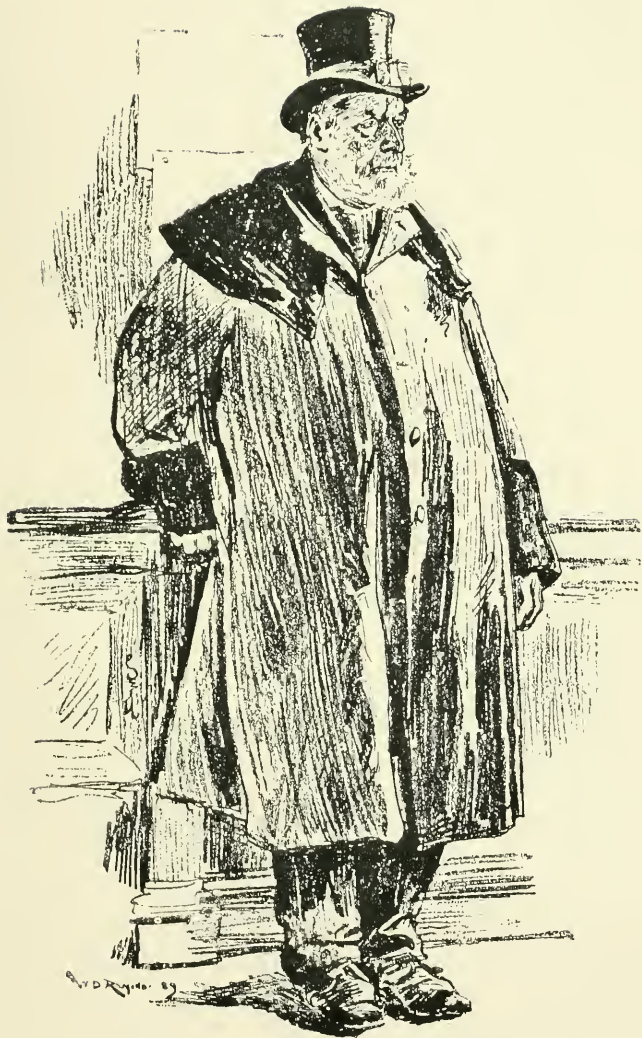
of idlers at the beach, some of them expressing wonderment at a shipwreck occurring on such a day at such a place. No attention was paid to these remarks; but the group of shipwrecked mariners straightway marched to the nearest inn, the Old Ship. Here the leader gave his name as Captain William Codling, commanding the brig *Adventure* from London, now lying wrecked on the sands facing the inn.

The brig *Adventure* had left the River Thames on the 8th July, 1802, bound for Gibraltar and Leghorn, with a general cargo, declared to consist of cutlery, plated goods, watches, musical instruments, and similar articles. The owners of ship and cargo were two London merchants of good repute, Mr. George Easterby and Mr. William Macfarlane, who, before the vessel sailed, gave orders to several brokers to get policies of insurance at Lloyd's on their property, to the amount of between four and five thousand pounds. The insurances were duly effected, the principal underwriters being Messrs. Joseph Marryat, Robert Shedden, James Nash, Thomas Rider, William Ness, and James Honyman. This done, the *Adventure* went to Yarmouth, where a small quantity of goods, certified of like description as the previous cargo, was shipped, the owners at the same time taking out additional policies at Lloyd's, which nearly doubled the amount of insurances previously secured. At Yarmouth the supercargo of the vessel, Mr. Edward Storrow, suddenly left, declaring he would go no further in the *Adventure*

and his place was filled by Mr. John Reid, sent by the owners from London. After staying at Yarmouth for nearly a week, the brig directed her course to Deal, and from thence went back to Aldborough, where the captain went on shore at night, for an interview with some persons that had come to the place. Setting once more sail now, the *Adventure* got to the Downs, throwing anchor amidst a mass of shipping waiting for a favourable wind to leave the Channel. Here the mate, following the example of the supercargo, declared his intention not to proceed further, which was not objected to by the captain, who filled his place by a common sailor, Thomas Cooper, notwithstanding the earnest declaration of the latter that he knew nothing of navigation, and could not possibly execute the duties thrust upon him. After a short stay in the Downs, hoped-for winds set in, and thereupon all the vessels quitted their anchorage and proceeded southwards, except the *Adventure*, which waited several days longer. At last, on the evening of Saturday, the 7th of August, Captain Codling gave orders to sail, and at the same time had a keg of rum brought on deck, for the free use of his crew. There was great merriment on board the *Adventure* all the summer night through, which continued till between seven and eight o'clock on Sunday morning, when the captain and his men took to the long boat, and comfortably went ashore. It had taken Captain Codling just a month to take the *Adventure* from the Thames to get her stranded at the beach of Brighton."

The underwriters on hearing the news next day, at once despatched an agent to Brighton to investigate the affair. He immediately set to work and had the brig raised and towed on shore. An examination of her hull showed that large auger holes had been bored into her sides, and the gimlet not proving sufficient, a hatchet had been requisitioned. The communication of these facts to the underwriters led them to decide upon a criminal prosecution, but the parties principally concerned had fled. Ultimately, however, the supercargo, the owners, and the skipper were all arrested, and brought up for trial at the Old Bailey on the 26th October, 1802. Reid was acquitted on technical grounds, and the owners, though found guilty by the Old Bailey jury, were afterwards acquitted in consequence of the defective state of the law, which was powerless to reach those who were not actually on board the vessel. Captain Codling, however, was found guilty, and immediately sentenced to death, the judge holding out no hopes of mercy, and he was accordingly hanged at Execution Dock a month later in the presence of a vast crowd of people. The only thing to be regretted is that Messrs. Easterby and Macfarlane escaped entirely the punishment they so richly deserved, for after all, it was they, and not the unfortunate captain, that would have reaped the principal advantage, had the nefarious plot to cheat the underwriters been brought to a successful issue.

The following story of modern times shows the daring and ingenuity that is frequently brought



A DOORKEEPER.

into play in the perpetration of frauds upon underwriters, even though the amount involved be only trifling. It was on the Friday previous to one August Bank Holiday, some ten or twelve years ago, that a broker at Lloyd's received instructions from a new client to insure for £700 the yacht *Firefly*, of which the client represented himself to be the owner. He was going on the morrow, he said, to take a trip to Boulogne, and he wished the yacht insured for the voyage there and back, and to assist the broker in effecting a policy he left what purported to be a photograph of the *Firefly* to be exhibited to the underwriters. The insurance was duly effected, and the requisite premium paid by the yachtsman. The Room, of course, was closed on the Monday, and on the underwriters' return to business the following day the name of the *Firefly* was among those that had been entered in the Loss Book in the interval. The account of the loss, as reported to Lloyd's, was that all had gone well until off the Island of Sheppey, when the yacht had been caught by a sudden gust of wind and capsized. The owner and a friend—the only persons on board—had managed to detach the row-boat before the yacht foundered, and succeeded, after great difficulty, in rowing ashore at Sheerness, in a thoroughly exhausted condition. There they related their adventure to the proper authorities, and sought the nearest hotel, where they stayed in bed all Sunday. The claim for the loss of the yacht was presented in due course, but in the meanwhile the suspicions

of the underwriters had been aroused in consequence of the similarity of circumstances attending this case and one which had come within their knowledge on a previous occasion. The affair was placed in the hands of a detective, who pursued active enquiries all along the river from London Bridge to Gravesend. Nobody had seen any yacht, answering the description given, sailing down the river on the day in question, but at Gravesend the officer struck upon what afterwards proved to be a very valuable clue. Two men, a Gravesend boatman said, had hired a rowing boat from him on the Saturday before Bank Holiday and he had never seen either them or the boat since. This clue, on being followed up, resulted in it being proved that the men who hired the boat at Gravesend, and the shipwrecked yachtsmen, were the same persons. They were subsequently arrested, and charged with attempting to defraud, and in due course committed to take their trial at the next sessions. The evidence given at the trial showed conclusively that the prisoners had not embarked upon the yacht at all, but had merely taken a boat at Gravesend, and drifted down with the tide until they were well clear of land, and had then turned back, and rowed until they were really thoroughly exhausted. The story they told on landing sounded plausible enough, and their condition testified to the exertions they had gone through; and had they only had the discretion to return the boat they had hired, their little plot might never have been discovered. The photograph handed to the brokers was of a

yacht belonging to the brother of one of the prisoners. At the conclusion of the trial, both prisoners were found guilty, one being sentenced to two years' imprisonment and the other to twelve months', both with hard labour.

The sequel proved one of them to be possessed not only of remarkable coolness, but also of a pretty wit. When his term of imprisonment had expired, he addressed a letter to the leading underwriter on the policy, in which he stated that it was an axiom of Roman Law that a man could not have another's blood and his money too, and that whereas he had in his body paid the penalty of his unfortunate mistake, the underwriters were not entitled to his money, and he trusted that they would return him the premium he had paid, without delay, particularly *as they had run no risk*. It is needless to add that this naïve request was not complied with.

In all the cases hitherto referred to the fraud was discovered before the money was paid by the underwriters, and thus really became only *attempted* frauds. But who can tell the story of the number of cases in which underwriters are swindled without detection? It is probable that most of these would show still greater ingenuity from the very fact of their remaining undiscovered. The onus of proof is always with the underwriters, and the difficulty of obtaining this is oftentimes so great that the latter, in many cases, deem it better to pay rather than run the risk of an abortive or unsuccessful action at law.

Reference was made in the preceding chapter to the unwarrantable condemnation of vessels at ports of distress in which they have taken refuge. For some reason or another the Cape, and the islands of St. Michael's in the Azores, and St. Thomas in the West Indies, seem to have become of late years the favourite spots for owners who are desirous of exchanging their insurance policies for hard cash, and the facility with which they are able to accomplish this would seem to justify their selection. No doubt there are unscrupulous surveyors everywhere, who will, under the judicious application of "palm-oil," issue false reports as to the condition of vessels they are called in to survey, and Lloyd's agents are powerless to prevent the underwriters being thus swindled. The only remedy would appear to be the infliction of very stringent penalties upon surveyors proved to have thus offended.

A good example of this kind of fraud occurred somewhat recently. A colonial barque on a voyage from Philadelphia to a Baltic port put into the island of St. Thomas, and reported having encountered severe weather. A survey was held, the vessel was declared unfit to carry on her cargo, and was accordingly condemned. The cargo was discharged, to be brought on by another ship, and a total loss was claimed from the underwriters on the barque and freight. The underwriters on the latter were on the point of paying—if indeed they had not already handed over the money to the broker—when the news came that the con-

demned barque had changed her flag, and without having effected any repairs, sailed from St. Thomas in ballast for the mainland. The barque is still afloat, but the owners never attempted to enforce the claim they alleged to be due under the policies.

The substitution of iron in place of wood as a material for the construction of vessels, has rendered the auger a much less necessary weapon to the unscrupulous owner of these days, for the opening of a steamer's sea-cock will accomplish, without trouble in half-an-hour, what a spike-gimlet and much hard work would only have achieved in twice the time, in days gone by. The blue waters of the Bristol Channel which twice a day ebb and flow past the little Isle of Lundy, without a doubt conceal the rotting carcasse of many a steamer which found a berth on the sands below through a cause very different from perils of the sea. But the water is here too deep to allow of a sunken steamer being raised. In the majority of cases the underwriters have paid the loss rather than go to court, lacking that clear legal evidence which is necessary for a successful verdict. But owners of foundered vessels, whose hands are clean, do not accept fifty or even seventy-five per cent. in satisfaction of their claim when the courts of law are open for the remedy of their grievances. And more than one case could be cited of recent times of which such has been the result.

The case which excited the most interest in underwriting circles of late years, was that of the

prosecution of a number of men for defrauding underwriters by means of shipping horses, that were insured much beyond their value, and causing them to be poisoned on the voyage. This system of fraud had been successfully carried on for a number of years, until scarcely an underwriter could be induced to quote for such risks at all. So profitable a business, however, could not be allowed by evil-minded persons to languish altogether, and after a lull, to enable underwriters to recover some of their lost confidence, operations were resumed. But Nemesis awaited them.

In the summer of 1892 Lambert Barron, Andrew White, William Catto, and John Machattie, were indicted at the Central Criminal Court for conspiring to defraud underwriters in the manner described above. Many eminent counsel were engaged in the case, among them being the late Solicitor-General and the present Home Secretary, and the court was crowded with underwriters, and others interested in marine insurance.

In opening the case for the prosecution, the Solicitor-General said the prisoners were charged with conspiring with a man named Alexander Stephens, who had been a horse dealer in Aberdeen, but who had absconded, with a series of frauds upon the prosecutors. The allegation was that since 1890 the accused had consigned numerous freights of horses, which they had very much over-insured, from this country to the Cape and America. Some of these horses had died in a mysterious manner while on board ship, and

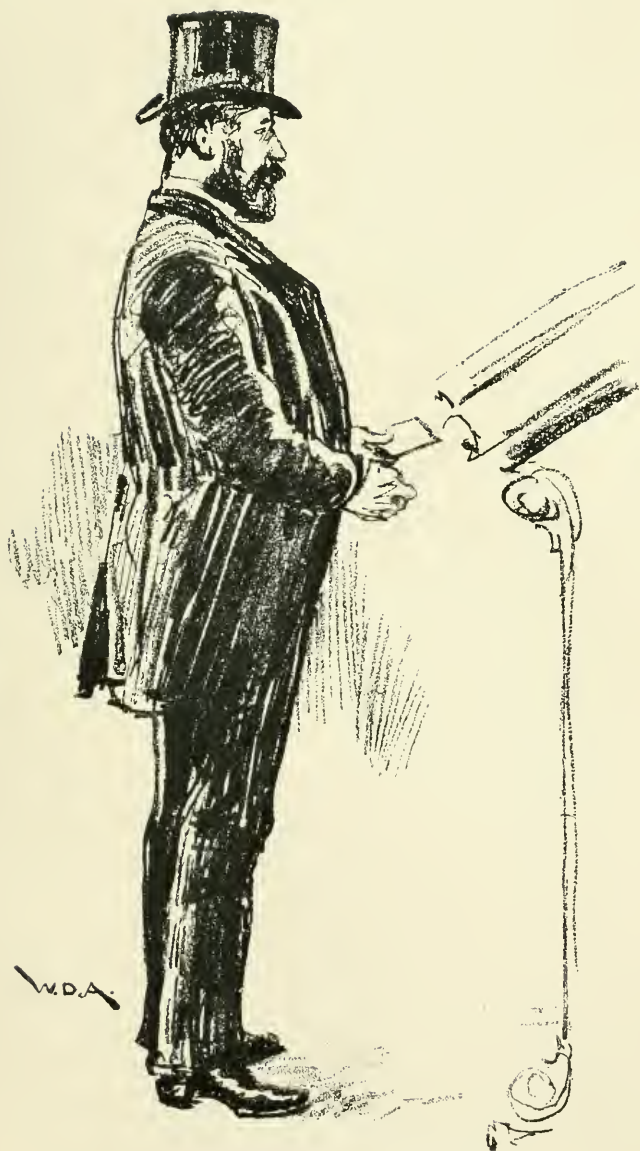
heavy claims were made upon companies. These claims were resisted, and it was ultimately decided, unknown to the prisoners, to send out a veterinary surgeon with the next cargo. The first case mentioned was the shipment of four horses by Machattie on board the *Persian Monarch*. These horses were insured for £655. Two of them died, and £415 was paid for the loss. In April of the same year Machattie sent three horses by the *Concordia* to Montreal, using the name of Mitchell. In May, 1891, two horses were sent by the *San Francisco*, to New York, and one of the horses dying, £207 was paid, and it was alleged that Machattie received £123 of the money. In August of the same year two horses and forty ponies were sent by the *Buffalo*, in charge of Barron, to New York. The two horses died, and Machattie, who had insured them, was paid £280. The veterinary surgeon was sent out with some horses which were on the way to the Cape, and of which Catto was in charge. One or two of the animals died at sea, and the veterinary surgeon, on examining one of the animals, came to the conclusion that death was due to strychnine poisoning. The man in charge of the horses was arrested at the Cape. The intestines of another horse, which had died on board another ship, were preserved and brought back to this country. Strychnine in large quantities was present. Both White and Catto were brought back from the Cape in custody, but Barron returned under an assumed name, and was not arrested for some time afterwards. Evidence was

given to prove the purchase by the man Stephens of large quantities of strychnine in Scotland, and a large number of witnesses were called to prove the insurance of horses, the death of several of them, and the claims which were made in respect of their loss.

Three horses shipped to the Cape by the s.s. *Pretoria*, were insured for £1,400 being, in the opinion of the captain of the steamer, worth about £10 each. Catto admitted having given one of the horses a solution of aconite, which, he said, had been given to him by his employer; and the evidence of the veterinary surgeons left no room for doubt as to the manner in which the animals had come by their death. No witnesses were called for the defence, and the jury found all the prisoners guilty.

The learned judge sentenced Barron and Machattie to twelve months' hard labour each, and to pay a fine of £250 each, and remain in gaol until the money was paid. White and Catto were each sentenced to three months' hard labour.

Perhaps the knowledge would not afford Messrs. Barron & Co. much consolation, but it nevertheless is a fact that until the first year of the reign of Queen Anne the law did not include insurance frauds among the list of punishable offences. Possibly it regarded underwriters merely as gamblers, and the legitimate prey of rogues, undeserving the protection of the law. Whatever the reason, the fact remains, and even at the present day the law regarding such crimes, in spite of



A GLANCE AT THE LOSS BOOK.

many legislative attempts in the right direction, is not, by any means, what most underwriters would like to see it. Increased facilities of communication have, however, rendered impossible nowadays frauds which, in former times, were of comparatively common occurrence ; and Board of Trade inquiries, with the attendant pains and penalties on conviction, have done much to deter swindlers and assist underwriters.

CHAPTER V.

THE "ROOM."

NO sketch of Lloyd's would be complete without some description of the building where the head quarters of marine insurance are at present established. One might pass the Royal Exchange a hundred times a day without being aware of the existence of Lloyd's ; but if he were to station himself on the east side of the building between the hours of eleven and four, he would notice a constant stream of people hurrying in and out of the main entrance, most of them with a busy, preoccupied air. Passing through the great iron gateway, and turning sharp to the right, the visitor finds himself in front of a large doorway, over the fanlight of which is the brief inscription "Lloyd's." Pushing open the swing door, a broad staircase leads up to the first floor, where the underwriting is conducted. At the top of the stairs the stranger finds his further progress arrested by a barrier, guarded by an official resplendent in scarlet robes and gold-banded hat, whose vigilant eye is ever open to detect intruders. As a modern facetious writer ¹ says :—

You may enter into Lloyd's,
Like a flight of asteroids,
Up the shoot.

¹ Goosestep.

Or go singly, or in pairs,
Up the broad stone flight of stairs,
 Foot by foot.

But whichever way you rise,
At the top will meet your eyes
 Men in red ;

Who will hold you in review,
And decline to pass you through
 Unless led.

If you want to call a friend,
They shout out, while you attend,
 His cognom.

Who with ceremony short
Comes and takes you through the port
 To the Room.

When you find yourself within,
Such a buzz and such a din,
 You will hear ;

Such a bustle and a rout
And a running round about,
 Far and near.

Many men with anxious looks,
Scanning large wide-open books,
 You will find ;

And as they seem grave or gay,
So the index they display
 Of their mind.

For the game of pitch and toss
With the ocean oft means loss,
 Which is sad ;

And the perils of the seas
Have been known to send with ease
 To the bad,

Men who started with good hope
And a goodly stock of rope,
 Sailing free,

Till their premiums grew small,
And their losses grew so tall
 D'ye see,
That they could no longer run
Their career, and, as the sun
 Slithers down,
Went down, and were seen no more,
Or derelict drove ashore,
 Quite done brown.

Lloyd's is virtually a club, and therefore only open to members. Subscribers may, of course, introduce friends to show them round, but the presence of strangers is not encouraged: though in this respect Lloyd's is not quite so exclusive as the Stock Exchange. The stranger mentions to the janitor the name of the member he wishes to see, and this is repeated to the "caller," who stands in a kind of pulpit with a sounding-board, in the large Underwriting-Room, and who sings out the names in bell-like, stentorian tones. Assuredly an exceptionally good pair of lungs is needed to make one's voice heard above the noise and bustle which fills the place and catch the ears of those at the far end of the room, where the huge clock and anemometer are faithfully recording the flight of time, and the variations of the wind.

In the wall of the large room stand the Arrival Books and the Loss Book before referred to, and in the wall over the latter is erected a tablet to commemorate the distinguished services rendered by the *Times* newspaper to the mercantile community in unearthing and exposing one of the most gigantic swindles ever planned by unscrupulous rogues. The Tablet bears the following inscription:



THE CALLER.

THIS TABLET

Was erected to commemorate the extra ordinary exertions
of *The Times Newspaper*
in the
Exposure of a remarkable Fraud
upon the Mercantile Public, which exposure subjected the
Proprietors to a most expensive lawsuit.

"At a meeting of Merchants, Bankers, and others, held at the Mansion House, on the 1st day of October, A.D. 1841, The Right Honourable The Lord Mayor in the chair, the following resolutions were agreed to, videlicet :—

"That this Meeting desires to express, in the most unqualified terms, its sense of the indefatigable industry, perseverance and ability shewn by the Proprietors of the *Times* newspaper in the exposure made through the instrumentality of that Journal in the trial "*Bogle versus Lawson*," of the most remarkable and extensively fraudulent conspiracy ever brought to light in the Mercantile world.

"That this Meeting desires to offer its grateful acknowledgement to the Proprietors of the *Times* newspaper for the services which they have thus been the means, at great labour and expense, of rendering to the Commercial Community throughout Europe.

"That the effect of such exposure is not only highly useful to the Commercial and Banking Community, as suggesting additional care and circumspection in all monetary dealings, but as shewing the aid which a public-spirited and independent journal has in its power to afford in the detection and punishment of offences which aim at the destruction of all Mercantile confidence and security.

"That the Committee now appointed be empowered to take measures for the purpose of recording in a more permanent manner the sense of obligation conferred by the Proprietors of the *Times* refusing to be reimbursed the heavy costs incurred by them in the Defence of the above-mentioned action, the Committee opened a subscription which amounted at its close to £2,700, and at a Meeting held at the Mansion House, on the 9th of February, A.D. 1842, specially summoned for the purpose of considering the application of the amount subscribed, it was resolved as follows :—

"That one hundred and fifty guineas be applied to the

erection of this Tablet, and of a similar one to be placed in some conspicuous part of the *Times* Printing Establishment.

“That the surplus of the fund raised be invested in the purchase of three per cent. consols, the dividends to be applied in the support of two scholarships to be called the *Times* Scholarships.

“That the *Times* Scholarships be established in connection with Christ's Hospital and the City of London School for the benefit of pupils proceeding from those Institutions respectively to the universities of Oxford or Cambridge.

“That Christ's Hospital and the City of London School be required to place in their respective institutions a Tablet commemorative of the establishment of such scholarship.

“All which has been duly carried into effect.

“The Committee consisted of the following Gentlemen :—
The Right Honourable Sir JOHN PIRIE, Bart., Lord Mayor, Chairman, and Treasurer.

MATHIAS WOLVERLEY ATTWOOD, Esq.

BARCLAY BROS. & Co.

BARING, BROS.

SAMUEL BRIGGS, Esq., of the firm of BRIGGS & Co., of Alexandria.

Sir GEORGE CARROL, Knight, Alderman.

CATTLEYS & CARR.

COCKERELL & Co.

GLYN, HALIFAX, MILLS & Co.

ROBERT ALEXANDER GRAY, Esq., of the firm of MELHUISE, GRAY & Co.

JOHN BENJAMIN HEATH, Esq., of the firm of HEATH, FURSE & Co.

WILLIAM HUGHES HUGHES, Esq., F.S.A., F.L.S., etc.
(Honorary Secretary).

THOMAS JOHNSON, Esq., Alderman, late Lord Mayor.

JONES, LLOYD & Co.

Sir PETER LAURIE, Knight, Alderman.

PETER LAURIE, Esq., Common Pleader of the City of London.

SEBASTIAN GONZALEZ MARTINEZ, Esq., of the firm of MARTINEZ, GASSIOT & Co.

JOHN MASTERMAN, Esq., M.P. (of the firm of MASTERMAN, PETERS, MILDRED, MASTERMAN & Co.).

FRANCIS PEGLER, Esq., of the firm of PEGLER BROS.

JOHN DISTON POWLES, Esq.

WILLIAM GEORGE PRESCOTT, Esq. (of the firm of
PRESCOTT, GROTE, AMES, CAVE & GROTE).
BARON LIONEL NATHAN DE ROTHSCHILD, Esq.
EDWARD STEWART, Esq.
PATRICK MAXWELL STUART, Esq., M.P.
SAMUEL WILSON, Esq., Alderman.

WILLIAM HUGHES HUGHES, Honorary Secretary."

The outline of the case is worth sketching here. On the 18th May, 1840, the Brussels correspondent of the *Times* startled his readers by stating that a great forgery Company, established on the Continent, had lately been detected and blown up, the object of the company being to plunder the Continental bankers of about £,1,000,000 sterling, by means of forged letters of credit, purporting to be of the banking firms of Glynn, Halifax, Mills & Co., of London. The letter concluded by giving the names of the conspirators, among them being that of the plaintiff, a partner in a banking house at Florence. The other principal actors in this astounding conspiracy were a French Marquis, connected by marriage with this country; a Baron and Peer of France; his son; a Count; a Scotch gentleman and M.P.; and his son.

An action for libel was commenced on the 30th June, 1840, and after an exhaustive trial, concluded in August, 1841, by the return of a verdict for the plaintiff, damages one farthing, without certificate for costs. The expenses of the *Times* had been enormous, for in maintaining their defence the proprietors had sent their emissaries all over the Continent to obtain proof of the truth of their allegations, a whole host of witnesses were called,

and the most eminent counsel of the day engaged. In commenting on the verdict, the *Times* said, "We have performed a duty we owed to our correspondent, to ourselves, to the bankers of Europe, and to the community at large, and we have every reason to be contented with the result." The *Observer*, however, thought that some public recognition of the services of the *Times* was due, and early in September asked, "Where is the gratitude of the community? What has become of the public spirit of the City of London? What are the bankers, and merchants, and 'letter-of-credit' men about? Why do they not bestir themselves to express the gratitude which it is trusted they feel, in a tangible manner?" To this appeal the members of Lloyd's were quick to respond, and the tablet to-day bears witness alike to the enterprise of the journalistic, and the generous appreciation of the commercial, world.

Opposite the *Times* tablet is one over the Foreign Arrival Book, flanked by the figures of two disabled seamen, and inscribed as follows :—

"ERECTED
by the Governors of the
Seaman's Hospital Society
of the Port of London,
in memory of
JOHN LYDDEKER, ESQ.,
South Sea Ship owner,
Gratefully to record his
munificent bequests to the
Institution.

He died on the 23rd July, 1832, and was buried in the north vault of the Church of St. Dionis Backchurch, Fenchurch Street."



A BROKER OF TO-DAY.

From where one stands, just by the Loss Book, a good view of the large Underwriting-Room is to be had ; and a truly animated scene it presents. Down the entire length of the room extend three rows of desks, or "boxes," as they are technically called. At these boxes, which accommodate three a side, the underwriters sit at the receipt of custom, while their clerks alongside are busy entering the "risks" as they are accepted, signing policies, or "taking down" claims that have been examined and passed. Affixed to each desk is a wire receptacle for policies which have been signed, from which the brokers take them as they pass. The gangways between the rows of boxes are thronged with brokers and clerks, with cases of "slips" in their hands, passing to and fro, between one underwriter and another ; and no little dexterity is needed to avoid cannons and collisions as one pilots one's way along. A smaller Underwriting-Room leads off from the left hand side at the farther end of the room.

Reference has previously been made to the custom of wearing the hat at Lloyd's, and the prevalent baldness which may or may not be an effect thereof. Another fact which may contribute to the scarcity of hirsute covering among the *habitués* is the defective ventilation of the Room. Many hundreds of pounds have been spent in the endeavour to obtain a good system of ventilation, but in spite of this, and the fact that the electric light is used for illumination, the Underwriting-Room often becomes oppressively close towards four

o'clock. The Reading-Room, which communicates, affords a pleasant retreat from the stuffy atmosphere of the former, and there one can read the newspapers of almost every part of the world. Should these, however, prove dry, the Captains'-Room possesses still further attractions. Here, doubtless, in former days old salts were wont to meet, and sail their voyages o'er again; but nowadays the place is used chiefly as a luncheon-room. For an hour or two during the day the place presents as busy an appearance as any chop-house in the City. An old-fashioned custom still clings to the place, in the periodical sales of ships by auction that take place. A high desk is placed in the middle of the room, and, on a raised platform, the auctioneer takes his stand, and proceeds to detail the merits of some particular vessel and invite a bid, while the members unconcernedly discuss their mid-day meal, heedless alike of the rattle of auctioneer's hammer and the strangers that have flocked in to bid. The Captains'-Room on these occasions is open to all comers, and it is the strangers who, for the most part, form the interested section of the salesman's audience.

Before leaving the building altogether, a peep into the secretary's office will well repay the visitor. Round the walls are hung various curiosities relating to the business, such as the policy on the life of Napoleon before mentioned, and the autograph letter of the Iron Duke in his capacity as Warden of the Cinque Ports. Here is exhibited a print of the reverse and obverse sides of Lloyd's medal, the

possession of which is so highly prized by its recipients. The subscribers of Lloyd's grant rewards for humane and perilous exertion to save life from shipwreck, which takes the form of a medal designed by the late Mr. William Wyon, R.A. The subject of it is taken from the Odyssey, where Ulysses, after various adventures during his return to his native Ithaca, subsequent to the fall of Troy, is described as being rescued from the perils of a storm by Leucothoë. The words addressed by Leucothoë to the shipwrecked hero explain the design on the reverse side—

"This heavenly scarf beneath thy bosom bind,
And live ; give all thy terrors to the wind."

The reverse is taken from a medal of Augustus—a crown of oak being the reward given by the Romans to him who saved the life of a citizen—and thereon is inscribed the motto derived from the same authority—

"Ob cives servatos."

In the centre of the room stands the "Lutine" table before referred to, and a silver tablet let into its surface bears the following inscription :—

"H.B.M. Ship *La Lutine*,
32 Gun Frigate,
Commanded by Captain Lancelot Skynner, R.N.,
Sailed from Yarmouth Roads
On the morning of the 9th October, 1799, with a large
amount of specie on board,
And was wrecked off the Island of Vlieland the same night,
When all on board were lost except one man."

"The rudder of which this table was made, and the rudder chain of the bell, which the table sup-

ports, were recovered from the wreck of the ill-fated vessel, in the year 1859, together with a part of the specie, which is now in the custody of 'the Committee for managing the affairs of Lloyd's.'"

Alongside the table is the stiff, high-backed carved chair, thus inscribed :—

" This Chair
is made from the wood of the rudder of
H.B.M. Frigate *La Lutine*,
Which sailed from Yarmouth Roads
On the morning of the 9th of October, 1799,
With a large amount of specie on board,
And was wrecked the same night off
The Island of Vlieland, when all on board perished,
With the exception of one man.
The rudder was recovered from the wreck in 1859,
Having been submerged 60 years."

The commodious Committee-Room, which adjoins the secretary's office, is also full of interesting relics, which Colonel Hozier, the courteous secretary, and his subordinates are ever pleased to show to the accredited stranger. As one leaves the office, the eye is caught by an ancient time-stained document which is framed and hung up there. A closer examination reveals to the visitor the fact that he is looking at the oldest policy in the possession of Lloyd's. It is dated January 20th, 1680, and was for £1,200 on ship (valued £200!) and goods (valued £1,000) of the *Golden Fleece*, on a voyage from Lisbon to Venice. The premium of £4 per cent. is enough to make the mouths of modern underwriters water, as in these days of competition rates have been cut down to the finest point compatible with profit, and sometimes even below that.

Speaking of rates, a story is told of a once popular and successful underwriter of the last generation, Mr. Arthur Hammond. Mr. Hammond was looked upon in the Room as the best authority upon Baltic risks, and a broker who secured his initial as the lead on his slip could rely upon completing the insurance without much difficulty. One day, a broker brought him a slip already started by another underwriter at a rate slightly below that which had been for years recognised as the market premium. Mr. Hammond had already quoted his price for the risk, and on the broker bringing back the slip with the initials of a brother underwriter thereon at the reduced rate, the old gentleman laid down his pen with a gesture of disgust, and exclaimed, "I'll never write another risk again!" And he never did.

Such is the institution which, week in week out, is quietly and unobtrusively doing its work in the heart of this busy city. It must not be forgotten that there are two separate and distinct aspects of Lloyd's; first as a Corporation, and secondly as an aggregation of individuals carrying on business as brokers, or underwriters, for their own personal profit, and on the strength of their own good names. Lloyd's as a Corporation has no financial liability in the event of the failure of any of its members or subscribers. All it does, in its corporate capacity, is to ensure as far as possible the admission only of men of stability and repute, by means of more or less stringent tests, and the exaction of a pecuniary deposit or guarantee.

These financial guarantees are varied according as a person is desirous of becoming an underwriting or non-underwriting member, an annual subscriber or an associate. Any one desirous of becoming a member must procure a recommendation signed by six members, who must attend the committee, if required, to answer such questions as may be put relative to the candidate. This application form, setting forth the name, address, occupation, etc., of the candidate, and the names of the members recommending him, is then posted up in the "Chamber of Horrors" at least seven days before the day of election. The committee sits once a week, and the election is taken by ballot, a mere majority of those present being sufficient to ensure election. The same process is gone through in the case of subscribers and associates, except that in their cases the recommendation may be signed by subscribers or associates, and not necessarily members. An underwriting member elected after the 31st December, 1890, besides being required to deposit with the committee £5,000 or £6,000 (for which of course he receives interest, and which is returnable to him three years after ceasing to be an underwriting member), is called upon to pay an entrance fee of £400, and an annual subscription of twenty guineas; but members elected prior to 31st December, 1892, are let off with an annual subscription of sixteen guineas. A non-underwriting member is exempted from the deposit, and, after satisfying the committee as to his means, etc., is only required to pay an entrance fee of £25, and

an annual subscription of seven guineas. An annual subscriber pays no entrance fee at all, but merely an annual subscription of seven guineas, and an associate five guineas. The title of associate is a recent innovation, and is applied to gentlemen unconnected with marine insurance business, but paying an annual subscription and enjoying such privileges as the committee may from time to time determine. These are the regulations as they exist to-day but they have been several times altered, and the payments vary according to the date of admission.

From its earliest years, as has been shown, Lloyd's has enjoyed a reputation for honourable dealing, of which the Corporation is justly proud ; and by generation after generation is the tradition handed down for its successors to maintain. The honour of Lloyd's has been the subject of unqualified admiration and commendation both before Parliamentary Committees and the full House of Commons. In fact, it was there publicly stated (*inter alia*) that the underwriters have been known to dispute a point of law when the assured could not produce a certain voucher, and without which they could not possibly hope to succeed. The assured were unable to produce the voucher, but when the underwriters found that the issue of the action depended upon this, they decided that although the verdict was actually in their favour, they would rather be cheated, and pay the loss, amounting to some thousands of pounds ; and they did so.

Innumerable instances might be given of where

claims have been settled, not on the basis of justice, but in the larger spirit of generosity ; and it is this liberality which goes far to justify the proud boast that a Lloyd's policy is never disputed. Though this of course is not literally true, still it must be admitted that Lloyd's sets an example of commercial honour and integrity that might with advantage be more generally imitated. In short, the eulogistic biographer of Mr. Angerstein was scarcely exaggerating when he wrote that "Lloyd's Coffee-house is now an empire within itself—an empire which, in point of commercial sway, variety of powers, and almost incalculable resources, gives laws to the trading part of the universe ; and, if combining its authority with the great mass of business below [the Royal Exchange], there is not a place upon the face of the earth that can vie with this palladium of English merchants."

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